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STUDIES IN  
COLONIAL NATIONALISM





# STUDIES IN COLONIAL NATIONALISM

BY  
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LONDON  
EDWARD ARNOLD  
41 AND 43 MADDOX STREET, BOND STREET, W.  
1905

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# THE SHIPS THAT PASSED

1898—1901

“Ships that pass in the night, and speak each other in passing,  
Only a signal shown and a distant voice in the darkness ;  
So on the ocean of life we pass and speak one another,  
Only a look and a voice, then darkness again and a silence.”



## P R E F A C E

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THE motive which produces the present volume at the present time is a feeling that in England the contemporary imperial question often is approached from an obsolete standpoint. In the following pages an attempt is made to present a modern view of imperial evolution, in the light of some three years' (1898-1901) travel and residence in Canada, Australasia, and other parts of the Empire, excluding South Africa. Amongst the striking events of the time were the Spanish-American war, followed by the novelty of an imperial issue in American politics; the Washington negotiations of 1898-1899, lapsing into the protracted affair of the Alaska boundary; the institution of the Australian Commonwealth; and the dispatch of colonial troops to take part in the South African war.

If there is some appearance of inconsistency in the criticism of Mr. Chamberlain's imperial statesmanship, the explanation lies in the difficulties of intermittent authorship. All the conclusions here put forward, representing a wide departure from the writer's preconceived ideas, were finally reached, and most of the chapters were drafted, before the resignation of the Colonial Secretary in the spring of 1903. Up to that date he was identified with the policy hereinafter described as "official imperialism," which was not the real reason of his extraordinary popularity beyond the seas. The secret of his success was his unprecedented energy and sympathy as an administrator, and his enthusiasm for the general idea of

closer union, rather than his advocacy of particular methods. As to the methods, there has been a difference of opinion between English and colonial statesmen, arising from a corresponding difference in their respective conceptions of the ultimate United Empire. But the new policy, launched by Mr. Chamberlain, marks a fresh epoch. At length a practical method is proposed, which is approved cordially by imperialists beyond the seas, because it admits and promotes their own ultimate ideal, whatever may be expected from it by imperialists in England. The colonial ideal is an alliance, of a character more intimate and comprehensive, and therefore more permanent, than is connoted by the conventional use of the term. From the present writer's point of view, a programme which substitutes imperial reciprocity for imperial free trade, commercial treaties for the zollverein compact, has a significance far wider than its trade aspect. It implies the first substitution of alliance for federation, of the colonial ideal for the English ideal, as the guiding principle of closer coherence between the mother country and the self-governing colonies. Alliance recognizes separate national aspirations: federation aims at national unity. If diversified nationalism, within workable limits, is valued as a progressive element in human civilization, then the new policy is one which is desirable as well as practicable, superseding an older policy which was neither.

The assumption which underlies such phrases as "the Expansion of England," or "Greater Britain," and suggests the familiar principle of federation as the logical form of closer union, is not justified by the tendency either of instinctive sentiment or of actual developments in Canada and Australia. So far as generalization is possible, it may be said that there is not, in fact, any growing consciousness of a common nationality, but exactly the reverse. In other words, the basis of imperial federation, instead of expanding and solidifying, is melting away.

The obvious impossibility of discussing so vast a subject without the aid of extensive generalizations seems to necessitate a preliminary warning. Throughout the Empire the most frequent pitfall in the path of the imperialist is the temptation to generalize from local experience. In no two of the four great self-governing colonies is the predominant imperialism quite the same thing. In England the pitfall takes the shape of a natural idea that the self-governing colonies can be treated as a whole; and that any forward policy is inadequate, or even pernicious, which is not equally applicable to them all. That criterion, if accepted, would put an end to all hope of progress towards closer union.

Analysing the conditions of the problem, there are two broad features common to Canada, Australia, New Zealand, and South Africa. The first is that all four countries are travelling the same road—the road from the colonial to the national status. But they are severally at different stages of the journey, moving for the time being in the order named; and the progress of each is accelerated or retarded by varying circumstances, ethnological, geographical, or social, which are different for each. The other common feature is that the development of national consciousness is a process of internal friction, the old order slowly and painfully yielding to the new. It is visionary to imagine that vital common measures can be devised until the last of the procession is further on the road to national maturity. Meanwhile it is the part of imperial statesmanship to note the unalterable direction of the road, to remember the internal friction, and to realize that, if concentration is desirable, it is easier to quicken the followers than to turn back the leaders.

The chapter describing the Alaska boundary negotiations appeared in the *Empire Review* (March 1903), and is republished by permission, with the addition of a few quotations. Also use has been made of an article entitled "Colonial Nationalism," which appeared earlier in the same



Review (August 1902). The appreciative reception of those articles in Canada has encouraged the production of the present volume.

Lastly, the writer wishes to acknowledge his personal sense of gratitude to Mr. Chamberlain, whose public speeches in the year of the Diamond Jubilee were the direct impulse to the expenditure of time in a manner which few Englishmen ever repent.

*March 1905.*

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# STUDIES IN COLONIAL NATIONALISM



## CHAPTER I

### THE CANADIAN HEGEMONY

\* "The British Empire . . . a galaxy of independent nations . . . . There is not in Canada at the present moment a single British soldier to maintain British supremacy—moreover it is Canadian soldiers who are to-day garrisoning Halifax . . . . The whole Australian continent has now been moulded into another nation under the flag . . . and I see dawning in South Africa the day when there will be another Confederation . . . ."—Sir Wilfrid Laurier at the Dominion Day Banquet, *Canadian Gazette*, July 3, 1902.

THE nineteenth century witnessed the progressive ascendancy of national sentiment, or the idea of separate nationality, as a force controlling the political evolution not only of European countries, but also of the United States. The dawn of the twentieth century reveals the phenomenon of a similar instinct already beginning to dominate the political evolution of the British Empire, in those self-governing colonies which, either singly or in federal union, possess the potentiality of a separate national career. In Canada, Australia, and New Zealand, the national idea is discernible in different degrees of development, depending upon conditions which vary in each case. Generally speaking, the popular attitude towards the mother country is becoming different in kind to that which prevailed a generation ago. Colonial loyalty, rooted in the past, is slowly giving way



before national patriotism, reaching to the future. As the evolution proceeds, the Empire is valued less for its own sake, and more in proportion as it subserves the interests and ideals of separate nationalism.

The modern speeches of Sir Wilfrid Laurier, pervaded as they are by the national idea, carry the same message as the habitual language of the Canadian people. In Canada the terms "colony" and "colonial" have become so completely eliminated, except officially, that there is now a quaint ring of anachronism about such survivals as the "Intercolonial" railway, so named more than thirty years back, or the *Daily Colonist* newspaper of that ancient city, Victoria, B.C. According to popular phraseology, Canada is not a colony, but "the Dominion"; and her people are not colonists upon England's estate, but the Canadian nation occupying its own territory.

Canadians visiting Australia before the days of the Commonwealth, must have been struck by the colonial habit which referred to the provinces as "the Colonies," and talked of the "nation" in the sense of the British nation, having a subordinate branch in Australia. But with the advent of the Commonwealth the Australian phraseology has conformed rapidly to the new idea. The Colonies are now States, as in America after the War of Independence, and the federal government is the "national" government.

During the federal campaign in Australia, towards the close of the last century, Sir Edmund Barton made a famous hit when he pointed out that, for the first time in history, there was "a continent for a nation, and a nation for a continent." He fastened upon two circumstances which, in conjunction, give Australia an unique position, and make it probable that nationalism will thrive there vigorously,—namely that the people are homogeneous, and have a whole continent to themselves for their undisputed inheritance. By contrast the Canadian federalists of the sixties, when they were advocating the federal union of the provinces, had to face the fact of two great anti-national circumstances, which might have seemed sufficient to preclude the notion of a separate Canadian nationality. One was that half the

continent already was occupied by a powerful and kindred nation, which aimed at extending its political sovereignty from the Gulf of Mexico to Hudson's Bay. The other was the French-speaking province of Quebec, containing at that time nearly half the population of the Canadian colonies. The people of Quebec had come under the British flag by conquest, and were divided from their English-speaking neighbours, not only by language and religion, but also by traditions of colonial separation reaching far back into the eighteenth century. Nevertheless, within the space of a generation out of these two anti-national circumstances there has arisen a Canadian national sentiment which affects a kind of moral hegemony over the younger nations of the Empire in all matters involving the imperial connection. This claim to leadership rests upon more than the mere accident of national seniority. It is justified by the keen-sighted and unswerving devotion to the national principle which has distinguished the development of Canadian policy in imperial affairs. The seniority of Canadian nationalism was the result of the neighbouring republic; and for its strict consistency credit is due to the influence of Quebec.

The first requirement of nationalism, as a political principle, is a single sovereignty co-extensive with the geographical boundaries of the people. Therefore the foundation of Canadian nationalism was the confederation of the provinces, consummated in 1867,<sup>1</sup> and presently followed by the construction of railways to connect the territory of the Dominion from the Atlantic to the Pacific. The corresponding achievement of the Australians, a generation later, was itself the outcome of a national sentiment which came to the front despite the handicap of political disunion. But in Canada, with her rival races, there was no such common or spontaneous national consciousness to make the idea of union irresistible. Confederation was mooted originally as a device for minimizing the racial friction between Ontario and Quebec—a system of political co-operation under which the people of the former would be able to preserve their British

<sup>1</sup> The Dominion did not stretch from ocean to ocean until 1871, when British Columbia joined the Confederation.

nationality, and the people of the latter their French nationality. The fact that the idea expanded into the conception of a federation embracing the whole of British North America seems to have been due to a determination, common to both races, to remain under the Union Jack rather than accept the Stars and Stripes. For at that time the risks of American aggression appeared acute. The Civil War had left the North in a hostile temper towards England, which found expression in Fenian raids against Canada, and seemed likely to develop further at any moment. The treaty of reciprocity, dating from 1854, under which Canadian trade had flourished for ten years, had been denounced, to make way for the policy of starving Canada by high duties upon her products. Congress passed a Bill for the admission of the Canadian provinces as American States; and England was recommended to hand over the country by way of compensation for the "Alabama" damages, and other offences against the victorious North.<sup>1</sup>

<sup>1</sup> Cf. Roberts, *History of Canada*, pp. 348, 360.

Doubtless it was known in America that there was a considerable party in England which was ready to sacrifice Canada. The following is instructive :—"With a view probably to the satisfaction of mortified friends of the North in England, he (Gladstone) wrote to me suggesting that if the North thought fit to let the South go, it might in time be indemnified by the union of Canada with the Northern States. As the letter, on consideration, seemed unlikely to have the desired effect, and not unlikely to prove embarrassing to the writer, no use was made of it, and it was destroyed."—Goldwin Smith, in *My Memory of Gladstone*.

Cf. also the following incident in the Washington negotiations :—"Mr. Sumner in a memorandum (Jan. 17, 1871) to Mr. Fish, had submitted a singular species of political syllogism. He desired nothing so much, he said, as that entire goodwill should prevail between Great Britain and the United States, and that the settlement should be complete. Now the greatest trouble and peril in the way of a complete settlement was Fenianism; Fenianism was excited by the proximity of the British flag over the Canadian border; therefore, the British flag should be withdrawn from the whole hemisphere, including the islands, and the American flag should fly in its stead. In conformity with this tight and simple chain of reasoning, Mr. Fish threw out a hint to Lord de Grey that the cession of Canada might end the quarrel. The English envoy contented himself with the dry remark that he did not find such a suggestion in his instructions."—Morley, *Life of Gladstone*, vol. ii. p. 401.

In English-speaking Canada the main force behind confederation was the indomitable spirit of the United Empire Loyalists, the descendants of the original exiles from revolted America, who received that title in recognition of their self-sacrificing devotion to the British flag. French-Canadians supported the policy because for them the flag was the guarantee of certain privileges granted under the Quebec Act of 1774, which settled the status of the conquered province, and remains the cherished charter of its people. These privileges include the official recognition of the French language, the French civil law, and the established Roman Catholic Church; none of which would be legitimate under the constitution of an American State.

The attitude of the United Empire Loyalists towards the Americans naturally has been one of bitter resentment, like the attitude towards England which the Americans, by their school books and other means, continued to cultivate at least up to the Spanish War, if not to the present day. After confederation, the story of the Loyalists became part of Canadian national history, and impregnated the new national sentiment with an element of antagonism to the United States which remains a pronounced characteristic of Canadian nationalism. Indeed, it may be said that Canadian nationalism was founded upon a repugnance to American nationalism. For there is no ethnological or geographical reason why the political boundary which is drawn arbitrarily along the 49th parallel upon the map should have become the line of a national division. The question of the Canadian future is the question whether that repugnance will continue. If it rests on permanent grounds, then national independence will remain the supreme object of Canadian statesmanship.

Historical tradition itself counts for much amongst a people which for a hundred years has abjured the standing temptation of material wealth (obtainable at any time through "annexation") in order to preserve a patriotic ideal. The surrender of Canadian nationalism at the present, or at any future stage, would be a betrayal of the sacrifices made in war and commerce by past generations. In the war of 1812, French and English Canadians fought side by side to

drive back the American invaders. All through the past century they were ready to do the same again, when from time to time the annexationists seemed to be getting the upper hand in the United States. As late as 1895, the disturbance created by the dispute between England and Venezuela, and finally settled by arbitration in favour of England, was regarded in Canada as the preliminary to a renewed outburst of American aggression. The gratuitous extension of the Monroe doctrine by Mr. Olney, Secretary of State under President Cleveland, in his memorable declaration to the effect that no European power could be tolerated any longer upon the American continent,<sup>1</sup> was interpreted by many Canadians as the intentional denial of their own right to choose their own political connections. They consider that actual war was averted only by the timely fitting out of a British flying squadron, and finally by the complications with Spain, which turned the swelling tide of American jingoism into a different channel. During the Spanish war Canadian sympathy with the Americans was modified by the hope that they would encounter sufficient resistance to take the edge off their jingoism. The feeling of distrust, which President Cleveland had revived, still remained, especially in Loyalist circles. Old men recalled the days when a popular American cry was "The Three C's,"—California, Cuba, Canada,—and the acquisition of the second resuscitated both the old forebodings and the old spirit of resolute defiance. Such apprehensions were not allayed after the war, when "expansion" became a political issue. According to imperialist Americans, such as Theodore Roosevelt, expansion was the "manifest destiny" of the American nation, which it was unpatriotic for anyone to resist. On the other side, the anti-imperialists, such as Mr. Carnegie, by way of offering an alternative to

<sup>1</sup> "Every true patriot, every man of statesmanlike habit, should look forward to the day when not a single European power will hold a foot of American soil. . . . It is distinctly in the interest of civilization that the present States in the two Americas should develop along their own lines, and however desirable it is that many of them should receive European immigration, it is highly undesirable that any of them should be under European control."—Theodore Roosevelt, on the Monroe Doctrine, *The Bachelor of Arts*, March 1896.

over-sea aggrandizement, urged that the natural line of expansion was in the direction of "coterminous territory," following the Russian rather than the British precedent, and avoiding the necessity of a big navy. Thus the anti-imperialist doctrine was almost as dangerous as that of the avowed expansionists, from a Canadian point of view.

The conservatism of historical tradition is reinforced by the influence of the manufacturing industries which Canadian fiscal policy has succeeded in creating. For a long time the prospect of economic independence of the United States seemed so hopeless that there was always the nucleus of an annexationist party in Canada, ready to abandon the struggle by transferring the country to the Stars and Stripes. Now, however, industrial Canada is an established success, while agricultural Canada has learned to rely upon the British rather than the American market. Nevertheless, neither the historical nor the economic aspect of Canadian separatism seems to be of an immutable nature. It is conceivable that a protracted period of Anglo-American friendship, genuinely reciprocal instead of entirely one-sided, as always hitherto, might overcome the Canadian tradition of antagonism. Likewise it seems even probable that some day the strongest industrial centres of the American continent will be north of the boundary line, in proximity to the best supplies of minerals, coal, timber, and water-power. Then the present Canadian demand for protection against gigantic American organizations would be superseded by a demand for continental free trade, reversing the parts hitherto played by the United States and Canada respectively. As it is, the Canadian advantage in raw material is making itself felt. Canadian lumber already is indispensable to American mills, owing to the exhaustion of American forests. New England factories are clamouring for Nova Scotian coal. Lately the American duty on wheat has been remitted in favour of the Canadian grain required by the milling industry. The recognized Canadian policy, in such contingencies, is to place an export duty upon the raw material, in order to concentrate the manufacturing industry in Canada itself. This policy, if it was successfully pursued, ultimately would make the

American market as important to Canadian manufacturers as it formerly was to Canadian farmers; who, moreover, are always ready to welcome its reopening. Thus the industrial argument for Canadian nationalism does not seem to rest on secure foundations.

A more enduring basis, perhaps, lies in the deep and widespread conviction of the Canadians that they are evolving a national type superior to that of their neighbours. This is their meaning when they insist that they are "British." By comparison, the American is held to be fickle, vain-glorious, materialistic, and inhuman. The defects of his national character are said to be exemplified by the laxity of the divorce laws; by the lawlessness of the West; by Indian risings; by negro burnings and lynchings generally; by the subordination of every moral interest to the pursuit of dollars; and by the bombastic perfidy which cynically repudiates treaty obligations if they are an obstacle to material aggrandizement. It is an open question how far the seamy side of the American national character is the result of faulty institutions, or how far the faultiness is that of a nation which defiles its own handiwork. At any rate the Canadians take credit for a higher civilization and more healthy national character.<sup>1</sup> Thus, they point out that the opening up of their western territories proceeds apace without any of the reckless lawlessness which marked the corresponding phase south of the line. In Western Canada "shooting irons" and knives are no part of the cowboy's

<sup>1</sup> Since the above was written, an illustration of Canadian sentiment has been furnished by Sir Wilfrid Laurier's speech upon the introduction of the North-West Autonomy Bill, creating two new provinces out of the territories hitherto administered under the federal authorities. Upon the question of educational institutions, "the Prime Minister argued that Parliament in 1875 having deliberately introduced a system of separate schools in the North-West, they were established for all time. . . . Parliament should approach it on the broad ground of Canadian duty and Canadian patriotism. . . . He drew comparisons between the school system of Canada and that of the United States, and between the public morals of both countries, to the disadvantage of the United States, with its lynchings and divorces, and thanked Heaven that Canadians were living in a country where children were taught Christian morals and Christian dogma."—*The Times*, February 23, 1905.

get-up; and if Americans come in with their accustomed equipment they soon find that the best plan is to put it away. A small body of mounted police makes life and property as safe throughout a wild and sparsely populated region the size of half Europe as it is in the heart of London. A few years ago the town of Rossland, then containing a mining population of about 6000, upon the southern boundary of British Columbia, was in charge of a single policeman. Meanwhile over the border, in Montana, troops were firing ball cartridge as the result of a strike amongst the miners, who had attempted to blow up the mines. Throughout the Dominion neither violence nor bribery avail to thwart the course of even-handed justice.

Canadians who study political institutions attach much value to their British federal system, as contrasted with that of the United States. The Canadian constitution, embodied in the British North America Act of 1867, was framed at a time when the Civil War in the United States emphasized the danger inherent in a weak federal authority. Accordingly, in Canada the provinces enjoy only such powers as the sovereign national government delegates to them; whereas in the United States, as afterwards in the Australian Commonwealth, the national Government enjoys only such powers as the sovereign States have delegated to it. The inefficiency, as a national instrument, of the American federal principle is seen when such national objects as the effective control of railways, or of commercial combinations, are blocked by the obstruction of "State rights." In Canada, on the other hand, when modern economic developments create unforeseen contingencies, the federal government, representing the nation as a whole, has the right of exercising any powers whatsoever which have not been expressly transferred to the provincial authorities. This difference of principle seems to give the Canadian system a tremendous advantage in an era which is distinguished by a tendency to extend the functions of national government. For example, the encouragement of agriculture, by experimental farms and similar means, is carried out in Canada by a federal department with the utmost opportunity of economy



and efficiency; whereas in the United States the same policy is hampered by the overlapping of various State enterprises, not being amenable to central supervision. Again, the flexible principles of British parliamentary government are found to work more smoothly and effectively than the rigid constitution of the United States, with its separation of executive from legislative responsibility, and discouragement of public debate. The independent position of the executive in practice leads to constant friction between it and the legislative authority, without any remedy such as is afforded by dissolution of Parliament. Moreover, the power of the Senate in the department of foreign affairs makes that arbitrary body the master of the strongest administration; although it is a matter of opinion whether the continuity of foreign policy which the Senate assures, at least in a negative sense, does not counterbalance the mischief which it sometimes inflicts. Again, in Canada there is a permanent civil service, and judges are appointed for life by the Crown, instead of being appointed for a term by popular election. Thus the independence of the judiciary, conspicuously deficient in the United States, is secured in Canada, and is fully appreciated as a weapon against the political corruption which is the penalty of an American neighbourhood. Finally, Canadians do not envy the presidential system, which throws the country into the turmoil of an election every four years, regardless of political necessity.

The belief in superior political institutions, and a superior national development, seems to guarantee the permanence of Canadian nationalism. There is no longer any considerable section of Canadian opinion which does not shrink from the idea of sharing national responsibility for the negro question and the alarming industrial problems of the United States. Canadians of both races feel that they would lose in every respect if they allowed their voice to be lost in the throng and din at Washington, instead of concentrating at Ottawa to mould the development of the northern half of the continent upon independent and more hopeful lines. Therefore, if the proposal of political union with the United States is revived, as an alternative to imperial consolidation, it will

be such as to exclude the old idea of transforming the Canadian provinces into American States. It will assume the continued integrity and independence of the Dominion, and will suggest the feasibility of an economic, and therefore political, alliance, like that which is the imperial ideal of present-day Canadian statesmen.

The conception of imperial alliance has been the natural corollary of Canadian nationalism, owing to the hostile ambition of the United States. The notion of isolated independence, formerly popular in Australia, had no chance in Canada, considering the geographical situation. Its only adherents have been a section of French-Canadians whose racial exclusiveness was proof against the solvent of pan-Canadian nationalism. They have dallied with the notion of a Quebec republic, guaranteed by the United States, and thereby released from the burden of self-defence. Such a conception repelled the courageous and imaginative genius of the great French-Canadian whose broad-minded nationalism has made him the undisputed representative of both races in Canada :

"I am of French origin, a descendant of that great nation which, as remarked by a thinker, has provoked enthusiasm, admiration, hatred, envy or pity, but never indifference, because it has ever been great even in its faults. I acknowledge that I am of French origin, but if I recognize the fact, I also recognize the position in which my race has been placed by the battle which was fought on the Plains of Abraham, and which is commemorated by a monument<sup>1</sup> reared by you (the people of Quebec) to the memory of the two commanders who there lost their lives. There are some amongst us who forget this state of things, who affect to believe that a small French republic or monarchy—I hardly know what they want—should be established on the banks of the St. Lawrence.

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<sup>1</sup> The obelisk, jointly commemorating Wolfe and Montcalm, bears the following inscription, illustrating the spirit of pan-Canadian nationalism :

MORTEM VIRTUS COMMVNEM  
FAMAM HISTORIA  
MONVMENTVM POSTERITAS  
DEDIT.

I cannot accept this idea, because those who use this language speak like slaves who would break their bonds if they dared, but who do not do so because they are cowards. For my part I believe myself to be a free man, and this is why I am in favour of the actual régime."

He went on to say that he "was happy to proclaim in the old city of Quebec, that the basis and aim of the ideas and hopes of Liberals was to create a Canadian nationality. Their great object was the development of the work of Confederation, to draw closer, to bind and cement together, the different elements scattered over the face of British North America, and to weld them into one nation."<sup>1</sup>

It is too late, however, for either of the political parties in Canada to claim a speciality in the policy of nationalization. In a subsequent chapter it will appear that historically the other party, the Conservatives, were the pioneers in that direction. But to-day there are no two opinions in Canadian politics about the desirability of developing an independent Canadian nationality. The persistent obstacle to its rapid realization is the indifference, not to say the obstructiveness, of the French-Canadian population, which Sir Wilfrid Laurier is doing more than any other Canadian statesman, past or present, to educate towards the national idea. Nationalism has to contend with the instinct or the tradition of racial particularism. In Quebec that instinct has been protected and fostered by the privileges which England conferred upon the conquered province. The position may be appreciated by contrast with the United States. There national unification, through racial amalgamation, always has been a paramount object, tolerating no conflicting sentiment and no conflicting institution. For example, the German immigrants, who have entered the country by the million, soon discover that they have said farewell to the old nationality, and are compelled to accept the new, with all its risks and responsibilities, regardless of their racial susceptibilities. Even the French population of Louisiana, as old as that of Quebec itself, has been ruth-

<sup>1</sup>Sir Wilfrid Laurier at Quebec, 1894. (Willison, *Sir Wilfrid Laurier and the Liberal Party*, vol. ii. p. 364.)

lessly Americanized. It lives under the normal laws and institutions of an American State, and no official recognition whatever has been accorded to its distinctive origin and traditions. But in the case of Quebec it may be argued plausibly that ultimate national potentiality was sacrificed to immediate colonial tranquillity. In the days when the privileges were granted for ever, there was no thought of nation-making but only of colonial peace.

Nevertheless, it must be remembered that those privileges served to reconcile the conquered race to the new flag, at a time when the British foothold upon the American continent was precarious, and to rally the French-Canadians beside their English-speaking fellow-subjects whenever there was danger of foreign aggression. Considering the numerical importance of the French section, and the fact that it was not a scattered but a compact population,<sup>1</sup> it seems at least doubtful whether the American system of uncompromising nationalization ever could have succeeded in Canada. In any case, optimists will make the best of the actual situation. After all, does not the contemporary experience of the United Kingdom continue to suggest that there may be a valuable force upon the side of progressive civilization in the distinctive racial traditions and racial pride of the component populations? Provided always there is a practical and ungrudging recognition of British national unity as the supreme object, it may well be that within the United Kingdom the historic fact of territorial subdivisions, coinciding with racial divisions, may be more fully recognized by political decentralization, not only without damage to national unity but with positive advantage.

So in Canada, the racial particularism of Quebec, fully recognized as it is by the federal constitution, may yet become a source of strength rather than weakness to the cause of Canadian nationalism, if only the supremacy of the latter comes to be acknowledged in actual practice. Un-

<sup>1</sup> This is a point which seems to differentiate the racial difficulty in South Africa from that which confederation was designed to solve in Canada. In South Africa amalgamation alone seems to offer the prospect of national unity, as in the United States.

fortunately the tendency of Quebec hitherto has been to cling to the memories of the past, resigning itself to the unambitious and unprogressive contentment of colonialism, instead of confidently treading the path of progress in the footsteps of Sir Wilfrid Laurier. Indeed, until the accession of a French-Canadian to the federal premiership of all Canada awakened the enthusiasm of an imaginative race, the simple peasants and backwoodsmen of Quebec withheld the title "Canadien" from their Anglo-Saxon fellow-subjects, restricting it to the French connotation of the eighteenth century.

The attitude of aloofness is strengthened by the policy of the Roman Catholic Church, which values segregation as a safeguard of religious conservatism. In particular, it discourages the natural tendency towards racial intermarriage, which otherwise might be steadily solving the racial difficulty by a peaceful repetition of the Norman Conquest on Canadian soil. It is strange that at the opening of the twentieth century priestly domination should appear to be more firmly established where a great artery of new-world trade meets the ocean than almost anywhere else upon earth. However, signs are not wanting that the Roman Catholic Church is losing ground as a political power in Canada. The attempt to implant its time-honoured institutions in the new territories of the West, under the shelter of certain clauses safeguarding minority rights in the British North America Act, has been resisted strenuously by the modern spirit of nationalization, which is wafted across the open prairie from the American border. That spirit rebelled against the institution of Roman Catholic schools as part of the provincial system of Manitoba. The question became the principal issue of the Dominion elections in 1896. The priests throughout Quebec proclaimed from the pulpit that it was the duty of the faithful to vote for the Conservative party, which was expected to override the school legislation of the Manitoban authorities. On that memorable occasion Sir Wilfrid Laurier set political principle against clerical dictation; and for the first time in Canadian history the people of Quebec defied their Church, giving an over-

whelming majority to the political leader of their own race.<sup>1</sup>

The incident of the Manitoba Schools question, although it indicated a decline in the political power of the priesthood, hardly signifies French-Canadian acceptance of the national idea. In the eyes of Quebec the principle at stake was that of provincial autonomy, which, while it may be used in the West to promote racial amalgamation, is especially valued in the French-Canadian province for precisely the opposite reason. The motto of Sir Wilfrid Laurier himself is "Union, not absorption."<sup>2</sup> But in national politics the working of that principle must continue to be impeded by racial friction, until the French-Canadian population as a whole shares the nationalist enthusiasm of the present premier. As it is, the theory of racial co-ordination seems to favour a popular habit of mind which judges every political measure by reference to its bearing upon an imagined balance of racial power, rather than upon national advancement. French-Canadians, generally speaking, readily acquiesce in the Empire which remains the surest guarantee of their provincial or racial charter. But if their own statesmen propose to recognize the national obligation of defence, through imperial co-operation, at once the vague apprehension of anglicization arises to suppress the sense of national self-respect.<sup>3</sup>

<sup>1</sup> For the revival of the schools question in connection with the constitutions to be conferred upon the new provinces of Alberta and Saskatchewan, cf. note to p. 8.

As in the Manitoban controversy, Sir Wilfrid Laurier seems to be subordinating the delicate and thorny question of educational or religious principle to that of legal right. His opponents, and some of his supporters, are reported to argue that the new constitutions may lawfully override the pre-existing Acts relating to the territories in question. The political significance of the premier's contention is that it will obtain the support of the priesthood, instead of alienating it as before.

<sup>2</sup> "Let us show to the world that union does not mean absorption, and that autonomy does not mean antagonism."—Willison, vol. ii. p. 371.

<sup>3</sup> For a characteristic exposition of the extreme French-Canadian attitude, see "The French-Canadian in the British Empire" (*Monthly Review*, Sept. and Oct. 1902), by Mr. Henri Bourassa, a young politician who, since the outbreak of the South African War, has been prominent as an *intransigent* opponent of imperial co-operation. Posing as a Canadian

During the South African War the prejudice against "imperialism"—meaning co-operation for defence amongst the self-governing nations of the Empire—was strong enough in Quebec to deflect and obstruct the national policy upon which Canadian self-respect insisted. To conciliate the prejudice was a task which required all the sympathetic tact of the only statesman who was qualified to succeed at all. It is recognized now as a fortunate accident that Sir Wilfrid Laurier was in office at the time. A somewhat undignified,

nationalist, he perverts every movement in the direction of recognizing the responsibilities of nationhood, with the economical advantages of imperial alliance, as a conspiracy of his English-speaking compatriots against the constitutional privileges of Quebec. His articles addressed to English readers ought to be read in connection with his speeches in the Dominion House of Commons. In one of the latter (March 1901), describing "the new imperialism," he said that "the tendency of Mr. Chamberlain's ideals, *favoured either wilfully or blindly by most colonial public men*, is to centralize gradually the political, military, and economic ruling of the Empire, making it as free as possible from independent local action." The policy favoured by the majority of Canadian public men is hardly likely to be anti-Canadian—hence the negative results of the Colonial Conference, 1902. But, unlike the opposing majority, Mr. Bourassa does not seem conscious of any humiliation in the present position of Canada, or of any inconsistency between the proclamation of Canadian nationalism and acquiescence in colonial dependence. He goes so far as to acknowledge that "towards Great Britain he has a duty of allegiance to perform." But in the true spirit of colonialism (which is the antithesis of nationalism) he seems to think that mere passive allegiance gives him an unlimited claim upon the English taxpayer for the naval and military defence of Canadian interests. The real difference between himself and the majority seems to be that his national outlook is limited by the horizon of Quebec, and blurred by racial particularism; while theirs extends to the boundaries of the Dominion, and takes account of the international situation as well. It is a curious Canadian patriotism which talks of invoking the Stars and Stripes, in the last resort, so as to score off the imperialists; the latter comprising, on his own admission, "most colonial public men," and including Sir Wilfrid Laurier—his own political leader and the greatest of his race. Mr. Bourassa claims to speak for "the higher classes among the French-Canadian people." Why, then, has he found himself playing almost a lone hand in Parliament, considering the numerical importance of the French-Canadians? It seems more reasonable, on every ground, to suppose that those classes prefer the pan-Canadian, self-respecting nationalism of Sir Wilfrid Laurier.

but instructive, commentary upon the political situation was afforded by the election campaign of November 1900. Both political parties were seen taking pains to pose in Quebec as opponents of imperialism. The Liberals, as the ministerialist party, explained that the Government had done no more than assist volunteers to reach the front. The Conservatives replied that such action was dangerous imperialism. Meanwhile in the English-speaking provinces, the Liberals claimed full credit for having sent official contingents; while the other side denounced them for undue hesitation over the business. The Liberals scored heavily in Quebec, and won the day. But nevertheless the Government deemed it expedient to remain inactive in the ensuing period, when Australasia was pouring additional contingents into South Africa. Afterwards Canada sent a third contingent, the need being irresistible, and ultimately a fourth. But the persistence of the difficulty was revealed once more when it was declared officially that only the question of commercial relations gave promise of useful discussion by the statesmen who were to assemble at the Coronation.<sup>1</sup>

It is possible to respect the prejudice against "imperialism" when the anti-imperialists put forward a self-respecting national policy upon the basis of separation. But in point of fact separation and self-support are seldom proposed seriously in Canada as an alternative national programme. Nevertheless there is a special consideration which forbids impatience with the French-Canadian attitude. In connection with such matters as national defence, English-speaking Canadians sometimes advocate a progressive policy in the language of British racialism, or of a world-wide British nationality, rather than in the language of a distinctively Canadian nationalism, which alone can be expected to appeal to the non-British Canadian population. But if the English-speaking majority allows its racial sentiment even to appear to take precedence of its Canadian nationalism, then it is impossible to blame the French-Canadian minority for yielding to the same temptation. So in the war, when national pride demanded the dispatch of contingents, the issue was confused

<sup>1</sup> *The Times*, March 12, 1902.



by an outburst of British racial sentiment, which had the effect of blinding the French-Canadian population to the other aspect of the matter. Accordingly it devolved upon nationalist statesmanship to separate the case for participation which rested upon national duty—the common ground of both races—from the case which seemed to rest upon the racial affinities of one half the nation, regardless of the other. To detach the policy of contingents from British racialism, and connect it with Canadian nationalism, was a patriotic purpose which was hampered but not destroyed by the petty exigencies of party strife. Speaking in Quebec after the election, Sir Wilfrid Laurier “asked the French-Canadians to do from a sense of duty what the English-Canadians were doing from enthusiasm.”<sup>1</sup>

That in any case nationalism ultimately would have prevailed against racialism, throughout the self-governing colonies, even if their populations everywhere had been wholly of British descent, must be the conviction of anyone who has experienced the actual sense of national distinctiveness which, conveyed by the mere physical and climatic differences of the widely separated colonial groups. The steady progress of national divergence continues irresistibly behind the screen of conventional racialism, just as in the old American colonies the language and sentiment of loyalty were never more emphatic, or more sincere, than on the eve of separation. For the native-born, loyalty is an inherited wish that the national interest may continue to be served by the imperial connection; but it is a wish which, with successive generations, is ever losing weight in the scale against indigenous patriotism.

The special influence of Quebec upon the course of imperial evolution is seen in an earlier and more deliberate recognition of the nationalist principle by the statesmen of Canada than by those of the other self-governing colonies. In particular, the official Canadian attitude towards the naval problem of imperial defence reflects the difficulties of uncompromising nationalism. The system of cash subsidies, satisfying the instinct of racial loyalty, is rejected altogether by the

<sup>1</sup> At Sherbrooke (*The Times*, Jan. 12, 1900).

Dominion Government, which cannot afford to countenance any infringement of nationalist principle. Undoubtedly naval subsidies are an infringement of the principle. In Australia, where racial jealousy is unknown, nationalists condemn the system, on the ground that it is dangerous and humiliating for any country to depend upon hired defence. But in Quebec the scheme seems to be regarded with peculiar apprehension as the very embodiment of militant British racialism. The fact that it has been advocated urgently in England, both officially and unofficially, appears to have had the effect of prejudicing the whole question, by throwing suspicion upon the naval movement whatever direction it takes. If so, progress is impossible until the question is raised to the national plane. For the time being the deadlock places the Dominion in a position unworthy of her claim to hegemony. But that claim will be amply vindicated if presently the deadlock is solved by the invention of a progressive naval policy, combining the principle of national independence with that of imperial co-operation. Such a policy may be expected to win the active support of pan-Canadian nationalism.

It is only in respect of the defence question, important though it is, that the Canadian hegemony has been temporarily baffled by the sectional immaturity of national sentiment and the consequent difficulties of logical nationalism. In other matters the lead has been positive enough. Cheap postage and a state-owned cable system represent an essential part of the machinery required for imperial co-operation. Preferential trade furnishes the economic basis of political alliance. But the Government which was the first to put that policy into practice has also been foremost in discountenancing the Zollverein proposal, because commercial union precludes independent national control of economic development. Finally, as regards the political problem of imperial partnership, the Canadian hegemony has been true to the nationalist principle. When the Australasian governments, less experienced in national responsibility, identified themselves with the popular agitation against allowing the Transvaal to import Chinese labour, the Dominion Government stood out for the principle of mutual independence in domestic affairs,

against the proposed precedent of mutual interference. Similarly in the Alaskan dispute, it practically contended that the right of guiding imperial diplomacy belongs to the nation which has the most direct interest in the particular controversy. Lastly, in the present fiscal controversy, it refrains from attempting officially to influence the choice of a domestic fiscal policy by the English people.

But in relation to foreign affairs the Canadian hegemony is seriously hampered by the fact that its nationalist policy has not developed so rapidly in the matter of defence as in other departments. Canadians are bitterly conscious that their national interests, territorial and other, hitherto have been treated by England as a fund from which she can make payments at her own discretion to purchase the goodwill of the United States.<sup>1</sup> They are amazed at the English simplicity, which knows so little of the American character, or of Canadian history, as to suppose that these surrenders have any more valuable result in the United

<sup>1</sup> *E.g.*, the Ashburton Treaty (1842), the effect of which may be seen by a glance at the map, where the State of Maine runs like a wedge into the heart of Canadian territory. The practical and permanent inconvenience of this outrageous concession is that Canadian railway traffic cannot reach a Canadian port on the Atlantic without either making a long detour to the north, or else crossing foreign territory under an expensive bonding arrangement. In 1846 the same kind of blunder was committed on the Pacific coast, where the rightful Canadian boundary would have followed the Columbia river to the sea. There is a popular legend on the coast that the British Commissioner threw up the river in disgust, because the salmon, with which it teems, will not rise to a fly! The result of the surrender here was that the Canadian Pacific Railway, like the Intercolonial in the East, had to make a long detour to the north in order to reach its ocean port. Consequently the development of British Columbia has been retarded by high freight rates through the Rockies. For the Canadian view of the Ashburton Treaty, see *infra*, p. 51; and for the Oregon Treaty, cf. Roberts, *History of Canada*, pp. 331-2.

In the Washington negotiations of 1871, the abject anxiety of England to conciliate American jingoism led to the utmost pressure being put upon Sir John Macdonald, the Canadian representative, to surrender rights of the first importance to Canada but of none to England. No Englishman can now read, without a sense of shame, the too graphic narrative of those negotiations as described by a Canadian writer (cf. Pope's *Memoirs of Sir John Macdonald*, ch. xx.).

States than to provoke contempt and induce further trouble. The use of bluff is an American commercial art, which has a long record of success in diplomatic controversies with England. For a time the conduct of the Alaska Boundary affair was such as to encourage Canadians in the hope that at length imperial statesmanship had come to recognize their claim upon the freehold of the Dominion. But the final result was to disclose the vitality in Downing Street of the old colonial theory, and the old impotence to resist the blackmail of artificial jingoism.

The truth is that Canadian nationalism cannot hope to assert itself effectively in imperial diplomacy so long as the brunt of a quarrel with the United States is likely to fall upon the English nation. Doubtless the Canadian contention is right, that a policy of consistent firmness would have secured the integrity of Canadian interests, with less risk of dangerous complications than has attended the historic policy of temporary firmness giving way to ignominious collapse. Nevertheless it is necessary to consider contingencies, however remote. It may be true that the Canadian militia is being developed up to the point where it will be equal to the task of military defence, with the prospect of imperial reinforcements.<sup>1</sup> But a powerful American navy is being created which, under existing conditions, would be opposed only by the navy of the British taxpayer. If Canadian interests are to be secured against the pusillanimity of imperial diplomacy, the Atlantic Fleet must become the property of the Dominion. For the present, in colonial questions, patronizing paternalism, unmitigated by the sympathy either of knowledge or of intuition, remains the frequent vice of British

<sup>1</sup> Sir Frederick Borden, the Canadian Minister for Defence, describes Canadian policy as follows :—

"We should be in a position to defend ourselves against sudden attack from any quarter, and then in case of prolonged war to rely upon aid from the mother country, just as we should of our own free will and accord give aid to the Empire, according to the necessities of the conflict." As to naval defence, "whatever we do will be at our own expense and entirely within ourselves. We will co-operate, if necessary, with Great Britain, but we will control our own expenditure."—*Canadian Gazette*, October 9, 1902.

imperialism, and not least of that which assumes the Liberal label.<sup>1</sup>

In England, the ideal of imperial union seems now to be in competition with that of Anglo-American alliance. The popular theory, that the two are complementary, ignores the rivalry between the national ambitions of the Americans to control the whole continent, and the determination of the Canadians to acquire a co-equal national status. The main danger of the situation arises from the importance which Canada rapidly is assuming in the eyes of the commercial despotism, which normally controls American policy. The alliance, which is suggested seriously only in England, would have the effect of pledging the mother country not to support Canada, in the event of a fresh conflict between American and Canadian national ambitions.

It is generally admitted that the future position of Little England, as a world power, is wrapped up in the question of alliance, because a miniature country, the type of the past, cannot expect to hold its own in isolation against the modern nations which are being fashioned upon a continental scale. Accordingly there is ground for anxiety in the popular

<sup>1</sup> *E.g.*, Mr. Haldane, M.P., anticipating the advent of a Liberal administration, is reported as follows (*The Times*, Feb. 5, 1905):

"The most delicate situation which would have to be dealt with in the Colonial Office was likely to be that of Canada in those questions which affected herself and the United States. What would be the relations between the United States and Canada if we adopted a preferential system? The United States would reply to our preference by offering Canada special terms, and Canada would be free to make a choice between this country and the States. That was just the kind of situation which he believed would be fatal to the imperial bond." Canadians consider that they have been free to make that choice any time during the past century. "The gate is mine to open, and the gate is mine to close." Sir John Macdonald treated the election of 1891 as a referendum on the question. His manifesto contained the famous sentence, "A British subject I was born, a British subject I will die." The "special terms" apprehended by Mr. Haldane already are being offered, so far as a market for wheat is concerned. From a Canadian point of view the danger to the imperial bond always has been that England, so far from reciprocating the Canadian choice, shows a preference for the United States, and deals accordingly, in the Colonial Office, with Canadian questions which are better understood at Ottawa.

disposition to stake the future upon the chance of a combination, informal or otherwise, with a democracy whose intermittent professions of friendship never have stood the test of an emergency. The track of the past century is strewn with the wreckage of Anglo-American *rapprochements*. In the United States the friendly reception of English overtures invariably has been followed by reaction in the opposite direction. Lately, the more than benevolent neutrality of England in the Spanish War was not reciprocated during the South African crisis, but was rewarded by a renewed outburst of hostility over the second Venezuelan entanglement. In the light of past experience it is rash to assume that the present cordiality, the special evidence for which is only the mood of the American press, means anything more permanent than the swing of the pendulum.

International co-operation, if it is to be intimate, comprehensive, and lasting, presupposes a considerable degree of national affinity between the parties. But the American nation, regarded as a whole, seems to have lost much of its essential affinity with the British. For example, alike upon the football field and in the international court, the Englishman calls a "foul" where the American applauds "smart" play. Mutual confidence and loyal co-operation are prejudiced by fundamental divergencies of national temperament. The explanation perhaps lies partly in the preponderance of foreign European blood, not originally drawn from the purest sources, which now has become diffused through the American democracy; partly in the unfortunate antipathy which for so many years taught the children of America to despise and eschew everything British.

On the other hand, everywhere within the Empire national character is being inbred with a deep respect and affection for British tradition. The same fundamental conceptions, essential to effective co-operation, continue to underlie the superficial differentiation of national temperament. Thus the imperial continuity of the past has created the opportunity for a more intimate and permanent alliance within the Empire than is possible elsewhere.

In such an alliance it would devolve upon the Canadian

hegemony to determine the relationship between the Empire and the Republic. Questions affecting the American continent would be settled at Ottawa instead of at London. Judging by past experience, the hegemony would be characterized by firmness, tempered by moderation and restraint. The apprehension that it would be selfish and aggressive, embroiling the Empire for inadequate ends, is justified neither by the example of the Alaskan negotiations nor by the normal relations which subsist between Canada and the United States. Although there is political antagonism when national interests clash, the daily intercourse of the neighbours is too close for their rivalry to be dangerous, when once Canadian nationalism wins recognition and acceptance south of the line. Almost every household in Canada has its personal connection with the States. The same periodical literature penetrates every home in both countries. National differentiation matters only in a crisis. Under the Canadian hegemony, co-operation with the United States would be carried to the limits of utility and prudence; and an independent Canadian nation, the intimate ally but no longer the dependency of England, at length might heal the breach of a hundred years.

## CHAPTER II

### THE ALASKA BOUNDARY

#### (I.) THE NEGOTIATIONS <sup>1</sup>

"Those who study the history of the questions which have arisen from time to time since the Peace of 1813 between this country and the United States, can hardly fail to be struck by a difference in the habitual attitude of the two Powers. Great Britain has always been pliable as to such questions; having indeed every motive, both of sentiment and of interest, for being and remaining on the best terms possible with the United States. Of that disposition on our part American statesmen have understood how to take advantage; not reciprocating it in their diplomacy, whatever may have been their private feelings; and the gain to us, in the way of an improved state of political relations between the two countries, from the concessions which we have generally made to them, has been less substantial and less permanent than might have been desired, and was on each occasion hoped for. We have done, to get rid of difficulties with them, much more than they would have done for us; and we have endured from them things which they would never have endured from us. It has become with us a maxim of policy, that all controversies with the United States must be in some way amicably settled; with the effect, as ought perhaps to be expected, of sometimes stimulating the growth and accentuating the sharpness of such controversies."—*Memorials Personal and Political* (1866-1895), by Roundell Palmer, Earl of Selborne, vol. i. pp. 202-3.

WHEN the United States, with the help of our benevolent neutrality, had defeated Spain in the summer of 1898, it was supposed that British-American relations were more cordial than had been the case for many years. Therefore it seemed to be an opportune moment for attempting the settlement of several outstanding disputes. Almost all the points at issue concerned Canada more nearly than any other part of the Empire, and most of them were purely Canadian questions. In addition to the Alaska Boundary question, there was the

<sup>1</sup> Written in Jan. 1903.



old dispute about the Atlantic Fisheries, the question of the Lumber Duties under the Dingley Tariff, the Alien Labour laws, and other matters. Accordingly the British Government arranged with the American Government for a joint Commission to meet forthwith at Quebec.

In Canada the prospect was regarded with some misgiving. The chief anxiety came from the bitter knowledge of how England had acted on similar occasions in the past. England almost invariably had sought to buy the goodwill of the United States by the surrender of Canadian rights, a far easier process for her than the sacrifice of English interests. This naturally had strengthened the uncompromising spirit of the Americans, who had come to think, reasonably enough, that only sufficient bluster was necessary to wring any concession from England, provided it was at the expense of Canada. If this had been the case in the past, what were the probabilities now? England in her "splendid isolation" was known to desire particularly the friendship of the Americans, which she believed her attitude at Manila already had done much to secure. The Americans, on their side, were in their most jingoistic mood, and full of revived ideas about "expansion." Thus the position seemed to be one of exceptional risk for Canada. These misgivings were deepened by the conviction that, if they were fulfilled, the results would be disastrous to imperial unity. Old Canadians had watched with satisfaction the birth and development of a youthful national pride, the first-fruit of confederation, which they believed had now attained a self-confidence that no longer would tolerate the overriding of Canadian rights by the mother country or by any other Power; especially when all Canadians knew full well that surrender of the old kind never had won, nor ever would win, the goodwill of the United States for Canada or the Empire.

Accordingly it was with intense relief that Canadians learnt how the joint Commission was to be composed. On the British side no less than four Commissioners out of five were to be Canadians. Only one, the late Lord Herschell, was to come from England. The cause of Canadian nationalism had advanced indeed since 1871, when Sir

John Macdonald had been overridden by a majority sent from Downing Street. This time at any rate there would be no preposterous surrenders. Hence Mr. Chamberlain was applauded throughout the length and breadth of the Dominion.

The Canadians on the Commission—Sir Wilfrid Laurier (Premier), Sir R. Cartwright (Minister of Commerce), Sir Louis Davies (Minister of Marine and Fisheries), and Mr. D. Mills (Minister of Justice)—were anxious to justify Mr. Chamberlain's confidence by reaching a complete settlement of all the points at issue. At the same time they recognised their position as guardians of imperial interests, including Canadian national interests, and knew their neighbours better than to expect any success from one-sided concessions. Accordingly they came to Quebec determined to conduct the negotiations on strictly business lines, asking no favours nor offering any; insistent on Canadian rights, but always ready to barter them for a fair equivalent. The Americans for their part came in the opposite frame of mind, cherishing just those extravagant expectations which had been foreseen in Canada.

So the Commissioners set to work. Soon the Americans discovered that their accustomed dictatorial attitude was ineffective. On the question of Fisheries, Lumber Duties, and the rest, the Canadians, backed by Lord Herschell, held out for their *quid pro quo*. The method of the Commission seems to have been to take each question separately, and discuss it fully; but to postpone the final adjustment of each until all the questions had been so treated, when there might be a general balancing of gains and concessions to the satisfaction of both parties. That process was followed successfully until the Alaska Boundary question came up. This question, being in itself of great importance, and being left to the end, became a critical factor in the final settlement of accounts which both sides had in view. So it came about that the success of all the preceding negotiations hinged on the necessity of an agreement about the Alaska Boundary.

Briefly, the dispute had arisen as follows: In 1825, Russia, then owner of Alaska, concluded a treaty with Great

Britain as owner of the adjoining continent, defining the boundary line between their respective territories. In those regions the chief interests of Russia lay in the seal-catching industry, while our chief interests were in the fur trade, carried on by the Hudson's Bay Co. Thus Russian interests lay on the coast, while ours were in the hinterland. Accordingly we recognised Russia's claim to a long fringe of coast, stretching southward from Alaska proper for several hundred miles down the Pacific shore. In 1867 the United States, in pursuance of their expansion policy, purchased Alaska with the Russian treaty rights. As usual in those days, the British Government looked on, taking no thought for the future of British North America, which they supposed would soon be severed from the Empire. The industries of that remote region continued to be confined to sealing and fur trading until the year 1896, when the great gold rush to the Canadian Klondike district began.

At length the evil of our shortsightedness began to appear. Canadian miners and merchants found the "gate" to their own Klondike guarded by American Customs officers. The goldfields could be reached most easily by means of the Lynn Canal, a long narrow inlet averaging about a mile in width, and running inland for more than a hundred miles from the fringe of coast granted by us to Russia. At its head this inlet breaks into two arms. The westerly arm forms Pyramid Harbour, an uninhabited spot, from which there was a long and difficult route to the goldfields. The easterly arm ends in two harbours, from either of which the goldfields could be reached with comparative ease. Here, when the rush set in, were two American settlements, Skagway and Dyea. The latter soon became the centres of large American interests, with headquarters at Seattle and San Francisco, and the American Customs officials lost no opportunity of hampering Canadian competition for the lucrative trade of the Canadian goldfields.

The Dominion Government, when this matter was placed before it, naturally looked up the old treaty of 1825, to see exactly what rights the Americans had acquired through Russia on this coast. It then became

evident that it was more than doubtful whether the head waters of the Lynn Canal ever had been assigned to Russia at all, in which case the American claim inherited the same doubt. It seemed that under the treaty the boundary line was to be an artificial line connecting the peaks of the coastal mountain range, at a distance from the sea not exceeding thirty miles. Now the question arose whether the boundary line was intended to wind round the heads of all these long narrow inlets, or to jump across the water, at a distance inland not exceeding thirty miles? If the line jumped across the Lynn Canal at thirty miles inland, it would leave Skagway, Dyea, and Pyramid Harbour high and dry in Canadian territory. But these places would be in American territory if the line followed the inlet right round.

The Canadian law-officers believed that the precedents were in favour of Canada. Accordingly, at Quebec, the claim for a boundary line on the thirty-mile limit was put forward, and utterly disconcerted the proceedings. The American public at the time was fully imbued with the jingo idea about not taking down the flag, which we ourselves have long since grown out of, and are accustomed to laugh at in the German Emperor's orations. But apart from this sentiment, the American Commissioners knew that a treaty making it possible for Skagway and Dyea to pass under the British flag would never become law. It would be opposed by the whole influence of the Western States, especially at Seattle and San Francisco; while the conspicuous jingoism of the American Senate alone would secure its rejection by that arbitrary body. Sympathising with the Americans in their difficulty, the Canadians then made a proposal to the following effect: "Let us have what international law and equity demand, nothing more nor less. Your rights and ours equally depend upon the treaty of 1825, modified only by the equities of the case arising from the fact of your occupation. Here then is just the case for an international arbitration. Let your President appoint an American arbitrator, and our Privy Council a British arbitrator, and let these two choose an umpire, who shall be a foreigner. To this court let us submit the *whole question* of the Alaska boundary, *without any*

*restriction whatever.* For their guidance let them adopt the rules of the recent Venezuelan Arbitration, which you drew up in accordance with your own ideas." Surely this offer was not only just but liberal. At the same time it was singularly opportune. For the Czar's Conference was sitting at the Hague, and there the American delegates were presenting themselves as the envoys of a people by which, above all others, the principle of international arbitration was accepted and cherished. Here then was a happy opportunity for the Americans to show the sincerity of these professions by acting up to them. Nevertheless their Commissioners at Quebec met the Canadian offer with the tortuous reply: "Yes, let us have arbitration by all means. But we must have two modifications of your scheme—(1) Let the court be composed of three Britishers and three Americans; (2) you must recognise our sovereignty over Skagway and Dyea under any circumstances."

Obviously either of these amendments by itself was enough to reduce the whole thing to a farce. The first made possible an equal division of opinion amongst the arbitrators, so that there was no guarantee of a final settlement. The Americans alleged that they could not trust a European umpire, and demanded that the umpire, if any, should be an American or South American, *i.e.* selected from a State practically protected by themselves. What would have been the prospect then of an impartial verdict? The second amendment was even more ridiculous, for it excluded from arbitration the one point which was of serious importance to either side. In fact, the Americans were so uncertain of their claims that they simply would not face an international Court. Doubtless they recalled the Behring Sea and the Venezuelan Arbitrations. In both those cases they had begun with a blustering assertion that their position was impregnable, and each time the verdict had gone against them. After that arbitration might do for Peace Conferences but not for the settlement of claims involving commercial interests. What were the Canadians to do? They were confident of their position, and determined that it should be respected. Accordingly they declined to go on with the

negotiations until the Alaskan question was within sight of settlement. In this attitude Lord Herschell and the British Government concurred. In vain the Americans pleaded for the settlement of the other questions, towards which so much progress had been made. No, if the other points were now settled, Canada would be empty-handed for compromise in Alaska, and compromise alone remained if the Americans would not consent to an impartial and conclusive arbitration. The Canadian Commissioners themselves were greatly disappointed; but in all the disputes except that of Alaska the *status quo* was in their favour, so that they could afford to wait. Accordingly, in February 1899, the Commission broke up, to reassemble, so it declared, in the following August.

In Canada, when these facts became known, the whole people, irrespective of race or party, united to applaud the conduct of their Commissioners. They felt that they were advancing in national strength and national self-respect. "A fair treaty or none at all" became their watchword.

On the other side the American politicians and press were intensely irritated by Canada's claim to be treated as a nation and an equal, the rightful partner in the American continent, no longer the catpaw of the United States nor the scapegoat of England. The annexationist newspapers tried to conceal their annoyance under cover of stupid sneers. Here is a typical extract from the *New York Sun* :

"We are sorry for the Canadians, but they have only themselves to blame. Of course they remain in the shadow so long as they keep up their hopeless little political side-show. They have no national character, and can attain to none. Their provinces can never have any distinction except what they get by reflection from England, whose thoughts . . . are upon the politics of America rather than on the little puddle of Canadian politics. The dependency is becoming steadily of less importance in itself and to England. It is not a State of any consequence of its own, and is without any quality of distinction in any field. If it should disappear from the map of the world, nothing would be lost to civilisation, not an idea, nor principle, nor any feature which would be missed."

Sneers like the above were now heaped freely on the

country, which for a century, by declining to join the United States, had sacrificed material wealth to the idea of a United Empire.

It was now necessary to effect through the ordinary diplomatic channels a compromise on the Alaska Boundary question, in default of which it would be useless for the Commission to meet again. Accordingly, communications began to pass between Ottawa and London, and between London and Washington. The principle maintained on the British side was that if Canada refrained from pressing her legal claim to the upper part of the Lynn Canal, including Skagway and Dyea, then her right to some other outlet on the canal should be recognised by the United States. This might be effected by making Pyramid Harbour the Canadian outlet, or by declaring a portion of the territory as neutral.

But the Americans were bent on ousting Canada altogether from the coast. Having succeeded in getting the negotiations transferred to London, they anticipated a return to the old tradition of our Empire. By dealing direct with Downing Street, they hoped to "sidetrack" the Canadian national statesmen, and to bluff England into surrendering the claims of her "colony" for the bribe of their goodwill. To further this policy Washington resorted to the stratagem of an unscrupulous press campaign, with the object of prejudicing English public opinion against the Canadians. The chosen instrument was the *Times* correspondent, who seems to have been furnished with official information which ought to rank high as an example of the Bismarckian *suppressio veri* and *suggestio falsi*. It must be remembered that at this time the proceedings of the Commission and the subsequent negotiations had not been made public, so that there was an easy opening for the misrepresentation which now began to characterise the *Times* cables from America. The main object was to make it appear that Canada, and not the United States, was shirking the proposal of arbitration. Thus, referring to the work of the Commission :

"I propose to explain . . . precisely what has happened, and precisely what views this Government takes of the situation. I

state the facts as of my own knowledge and on my own responsibility. . . . The Canadians steadily refused to settle anything unless they were given a slice of what is considered here American territory' in Alaska."<sup>1</sup>

Again, the correspondent claims the "best authority" for the following:—

"The conferences between Lord Salisbury and Sir Julian Pauncefote resulted in a definite proposal for settling the boundary question. The main point of the proposal was a separate tribunal to arbitrate on the boundary. The proposal was just about to be accepted when the officials at Washington were surprised by the presentation of an extraordinary condition which Canada imposed in connection with the submission of the question to arbitration. This was that in any event Canada should have Pyramid Harbour and a strip of territory along the Lynn Canal, without reference to the general conclusion reached by the arbitration tribunal. This condition caused some indignation amongst the officials here, and the proposition was peremptorily refused. That is how the matter stands, and there is every reason to believe that the United States will be unyielding as regards the condition imposed by Canada. If this condition is removed, arbitration may yet be arranged."<sup>2</sup>

This attempt to prejudice English opinion against the Canadians, by making *them* appear to have shrunk from submitting the whole question to arbitration, was not wholly successful. *The Times* (May 26) gently pooh-poohed its own correspondent, and decided to postpone judgment pending the Ottawa version of the story. Only the extreme organ of the Little England faction could not resist the bait, and, under the headline, "Canada blocking the way," lectured the Canadians severely.

These statements, issuing from so influential a quarter, were so grossly misleading that, on May 29, Sir Wilfrid Laurier considered it necessary to give an official denial to them in the Canadian House of Commons. He explained that he had no authority at the time to disclose the records of the Commission, but said, "I have only to repeat that the position to-day is exactly what it was when the Commission adjourned in the month of February last. There has been

<sup>1</sup> Dated May 25, 1899.

<sup>2</sup> Dated May 26.



no change, and so far as this Government is concerned there will be no change. . . . The only proposition we made was that the matter should be referred to arbitration, and that the arbitration should proceed exactly on all-fours with the Venezuelan precedent. All statements that this was coupled with any other condition are absolutely erroneous."

This unhesitating disclaimer made it impossible for the "best authority" to pretend any longer that the obstruction to arbitration came from Canada. On June 1, for the first time, the *Times* correspondent alludes to the fact that the Americans had reserved Skagway and Dyea from arbitration before ever the Canadians proposed to reserve Pyramid Harbour for themselves.

"This Government and the British Government," he said, "alike regarded Skagway and Dyea as territory of which the United States had been in possession for many years, and its title was never questioned. But Canada insisted that, *if this territory was excluded from arbitration*, Pyramid Harbour should be recognized as Canadian."

In Canada the conspiracy caused much irritation, but no surprise. Its practical effect was to create a strong demand for an official account of the work of the Commission, which Sir Wilfrid Laurier gave in Parliament on June 5.

Nevertheless the American press, blind to the evolution of certain British colonies into partner-states of the Empire, continued to scold England for not flouting Canadian sentiment. All through June, and afterwards, the *Times* correspondent was quoting the American press to this effect. Canada was "blocking the way"; she was the evil "power behind the British Government," thwarting its beneficent intentions. She was "the spoilt child of the Empire," being allowed an influence denied to other colonies. Sir Wilfrid Laurier and his colleagues were partisan politicians, preferring to be champions of a popular grievance, rather than of an unpopular treaty. Canada was the "marplot," obstructing the friendship of England and America. But after all she was "merely a colonial possession" of England, who doubtless would put her in her proper place. Meanwhile the Canadian

demand for unrestricted arbitration invariably was characterized as the "surrender of American territory"; which prompted the *Westminster Gazette* to ask, "Is it not rather instructive that the Americans seem to regard the two processes as exactly similar?" Occasionally the old game of bluff was revived, through fictitious reports of restlessness amongst the American miners, which might lead to an armed collision. But the most flagrant example occurred when, in June, Sir Wilfrid Laurier, speaking in Chicago, said that war was out of the question. At once the American press agents cabled over that Sir Wilfrid Laurier had "threatened war." Nor was the contemporaneous education of American opinion neglected. To virulent misrepresentation and abuse of Canada were added fabrications about English statesmen. Thus Mr. Asquith was reported to have made a speech condemning the Canadian position. Mr. Asquith replied that he had "never said a word in public on the subject."

The attitude assumed by American officials and the American press was too hypocritical to be long maintained. Even the *Times* correspondent soon felt constrained to notice the influence of objections to arbitration other than those hitherto alleged. Thus he says:

"What the Canadians—perhaps also some Englishmen—fail to consider is the extreme difficulty of carrying any arbitration scheme whatever through the Senate. Any scheme *abandoning American territory* would be attacked both in the Senate and the press everywhere, as a betrayal of American interests."<sup>1</sup>

Later on he again indicates his growing doubts as to the straightforwardness of the best authority. After repeating the official tirade against Canada, he continues:

"On the other hand, singular accounts come from Washington of this Government's attitude towards arbitration. It does not refuse arbitration *on certain terms*, but, says a *Tribune* dispatch, other dispatches agreeing, it holds that arbitrators are subject to a fatal weakness for compromising. Any compromise in the present case would be fatal to the whole American contention. For, if once

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<sup>1</sup> Dated June 8.

Canada were admitted to the Lynn Canal, the United States would be deprived of the only weapon for the protection of miners going to the Klondike from extortion and perhaps expulsion."<sup>1</sup>

This new excuse, emanating from Washington, was taken up eagerly by the American press, and what a lurid light is thrown by it on the whole American position! The Washington Government, according to its own apologists, apprehended that an impartial court of arbitration would award to Canada part of the Lynn Canal; in which case the United States would lose the instrument of retaliation afforded by the Customs, supposing Canada treated American miners in the Klondike as Canadian miners were treated in the Western States. Surely it would be difficult to imagine a more ignoble repudiation of the attitude towards arbitration affected by the American delegates at The Hague.

Of course no self-respecting nation could relinquish its legal rights in the face of this audacious disavowal of treaty obligations (a disavowal afterwards advocated with a yet more unscrupulous thoroughness by certain senators in reference to the Clayton-Bulwer Treaty). So the various suggestions of compromise came to nothing. The Canadian position was summed up concisely by Sir Wilfrid Laurier in a press interview at the end of July.

"The arbitrators," he said, "ought to decide these two points—(1) Which is the right interpretation of the Treaty of 1825 in regard to the boundary of the Lynn Canal? Is it the American or the Canadian contention? (2) In the event of the arbitrators declaring the Canadian contention to be the right one, then the subsidiary consideration would have to be decided, as to what disposition should be made of Dyea and Skagway, which are American settlements."

To this eminently reasonable position Canada adhered. Needless to say, the Commission did not reassemble in August, but later on a *modus vivendi* was reached to moderate the friction on the spot, Canada reserving for future settlement her claim to a boundary based on the Treaty of 1825. "The controversy," said the *Times* correspondent laconically,

<sup>1</sup> July 25.

"is not adjusted but adjourned." Meanwhile the other causes of friction remained unsettled. Since the summer of 1899 events have marched rapidly. The failure of the Commission had the effect of opening the eyes of the Americans, for the first time, to the existence of a Canadian national sentiment as keen as their own to resent interference with national rights or national ambitions. It revealed also the new position in the Empire which Canada is asserting for herself, no longer a dependency but a partner-state. This much-needed lesson finally was enforced by the appearance of Canada as our ally on the battlefields of South Africa, a departure from colonial tradition which was due largely to the enthusiasm aroused by our unflinching support in the Alaskan controversy.

In the meantime, Canada has experienced marvellous material prosperity, and American financiers and manufacturers have become deeply interested in the development of the Dominion. The result has been that commercial reciprocity between the two countries, so long sought for in vain by Canada, is now desired by the Americans in their own interest. All this has strengthened Canada in holding out for unrestricted arbitration on the Alaska question, refusing to discuss other matters with the United States until this point is settled to her satisfaction. The news, therefore, of the new Convention comes as a surprise. It now seems that after all the question is to be decided by a tribunal of the indecisive kind which Canada refused four years ago. It is reported that there are to be three Commissioners on each side, who are to investigate the Treaty of 1825, and determine its meaning as to the boundary by a majority vote, which is to be binding.

Fuller information will be awaited with interest. In the meantime it seems that the Western States again are up in arms against arbitration in any shape or form. It is the old cry of "dollars before honour," which lately baffled President Roosevelt in his manful attempt to carry out the obligations of his country towards Cuba. On the Canadian side it is noticeable that the press regards the agreement as a "surrender," and is disposed to connect it with our anxiety

to keep on good terms with the United States through the Venezuelan imbroglio.<sup>1</sup> It is ominous, perhaps, that the agreement has been concluded in the absence in South Africa of Mr. Chamberlain, the one member of the present Cabinet who has evinced any grasp of the imperial policy which is necessitated by the irresistible evolution of colonial nationalism.

It would be instructive to learn how far Canada really has been a consenting party to the agreement. We can only hope that our Government has not, in a moment of panic, reverted to the old colonial policy, once more making Canada pay for our blunders beyond the Atlantic. Nothing would more effectively check the movement towards imperial co-operation than to ignore the right of Canada to guide imperial policy in matters primarily affecting her special interests. That right was recognized by us once for all when four Canadians sat with one Englishman at Quebec to conduct imperial negotiations with the United States.

The same principle demands that in the present case all three British Commissioners shall be Canadians. For the American contention will prevail if a single British Commissioner can be won over to the American view. Therefore, to appoint a single Englishman would be unjust to Canada and impolitic for the Empire. For it would be intolerable to Canada if her claim, supported perhaps by two Canadian Commissioners, were rejected in favour of the Americans by the third, who, being an Englishman, might be thought to have felt more interest in forcing a verdict of some kind than in supporting the claims of justice. The Empire must not incur the odium of weakening the Canadian national position. It is easy to give away the property of others, and this country has no more right to surrender the Lynn Canal to the United States, through the decisive vote of its Commissioner, than Canada would have, *mutatis mutandis*, to cede

<sup>1</sup> It will be remembered that at this time England and Germany were co-operating to bring naval pressure upon Venezuela, by way of forcing her to recognize her financial obligations to their capitalists. The incidents of the naval demonstration were exploited by the American press in the interests of the Monroe doctrine.

the Bristol Channel to the French. The friendship of the United States, so often sought at the expense of Canada, has never yet been at the service of the Empire. In the past we may have been able with impunity to barter the interests of a colony. But the colony of the past is the nation of to-day; and, where the future is at stake, national patriotism is less submissive than colonial loyalty.

## CHAPTER III

### THE ALASKA BOUNDARY

#### (II.) THE SEQUEL

UNFORTUNATELY, the apprehensions expressed in the last part of the foregoing chapter, written early in 1903,<sup>1</sup> were completely justified by the event. The terms of the Convention provided for a tribunal consisting of "six impartial jurists of repute, who shall consider judicially the questions submitted to them." The said questions were confined to the interpretation of three Articles of the Treaty of 1825. The principal issues involved in the interpretation of these Articles were—(1) The intention of the Treaty of 1825 as regards the Lynn Canal; and (2) the location of a more southerly channel called the Portland Channel. Each party was to appoint three of the arbitrators.

The Americans, having thus solemnly contracted to appoint "impartial jurists of repute," at once nominated three notorious anti-Canadian partisans, namely, Senators Lodge and Turner, and Mr. Root, the Secretary for War. In Canada it was pointed out that Mr. Root, besides being a party to the suit as a member of the Administration, had been the first Minister of the United States to send troops into the disputed territory; and that Mr. Turner, when the matter was before the Senate, had manifested strong antipathy to the Canadian claim. As for Senator Lodge, there never was a more fiery exponent of the anti-Canadian jealousy which always has characterized a section of Americans. Only a few months previously this "impartial jurist" had delivered

<sup>1</sup> Cf. *Empire Review*, March 1903.

an electioneering speech at Northampton, Massachusetts.<sup>1</sup> Referring to the Alaskan question, he said that the Canadians had made claims

"which the United States could not accept, and which no nation with an ounce of self-respect could have admitted. . . . A more manufactured and baseless claim was never set up. . . . No American President could ever be found, in my opinion, who would think for one moment of making such a surrender, and you may rest absolutely assured that it will not be made by Theodore Roosevelt."

The explanation of the breach of faith by the Americans was given, candidly enough, by the *Times* correspondent:

"It is alleged that the Senate, or certain Senators, claimed a voice in the nomination of the Commissioners, as the price of ratifying the Treaty. Probably they did. . . . To such demands . . . the President is often obliged to yield. . . . The President has chosen three eminent men, of whom two undoubtedly are known as holding strong opinions on the whole subject. Why should they not? *They are there to look after American interests*, as the British will look after British interests."<sup>2</sup>

Such was the typical American conception, as described by the best American journalist, of the function appertaining to "impartial jurists," sitting as an "arbitral tribunal," and forbidden to determine anything except the actual intention of an ancient treaty!

The British Government, finding itself the dupe of American dishonesty, seems for the moment to have lost its head. In a dispatch<sup>3</sup> to the Canadian Government it expressed "much surprise" at the American appointment, and "earnestly desired the concurrence" of the Canadian Government in dealing with it. It went on to suggest that the new situation might be met by appointing, as the colleagues of the Americans, "representatives appropriate to the altered circumstances of the case." It is to the lasting glory of the Dominion Government that, even in the heat of

<sup>1</sup> *Toronto Globe*, Feb. 21, 1903. Cf. *The Times*, Feb. 20-26.

<sup>2</sup> *The Times*, Feb. 26, 1903. The italics are the author's throughout.

<sup>3</sup> No. 40 in the Report entitled "Correspondence respecting the Alaska Boundary"; presented to Parliament in January 1904.



its indignation, at the risk of sacrificing rightful Canadian territory, and jeopardizing its hold upon the constituencies, it declined to play the rascal in order to get even with the other rascal; although popular passion undoubtedly would have applauded the retaliatory measure. The following dispatch,<sup>1</sup> which seems to be mutilated, as below, in the official report, deserves wider publicity, both for the due honouring of the Dominion, and because it indicates how the British Government had capitulated to American pressure without the valued "concurrence" of the Canadian Cabinet.

GOVERNOR-GENERAL THE EARL OF MINTO TO THE EARL OF ONSLOW  
(for the Secretary of State for the Colonies).

"OTTAWA, March 6, 1903.

"My Ministers regard the situation with much anxiety. They desire to emphasize the fact that *their assent to a treaty which provided for the creation of a Tribunal so composed as not to insure finality, was obtained on the stipulation in the Treaty that the members of the Court would be impartial jurists of repute.* . . . Their doubts as to the effectiveness of the contemplated arrangement as a means of settlement were in some degree modified by the assurance that the members of the Tribunal would approach the subject with unbiassed minds, and that a judicial interpretation of the Treaty of 1825 would be so obtained. The appointment to the Tribunal by the United States Government of gentlemen who are not Judges, and *whose known views leave no room for expectation of a judicial consideration of the question*, changes the whole situation. If the whole question were now open to be dealt with from the point of view of Canadian interests, my Ministers would hesitate to advise any further participation in proceedings. . . .

"My Ministers have observed from the public press, and have also been officially informed, that, *while the matter is still under their consideration, the Treaty has been confirmed by His Majesty's Government*, and an exchange of ratifications has already taken place at Washington. It is presumed that this fact precludes further discussion, and my Ministers will therefore proceed to do whatever is necessary on their part to make good the engagements of His Majesty's Government, but they must reserve the right to submit to the Canadian Parliament the whole correspondence, or

<sup>1</sup> *Ibid.*, No. 44.

such statement of the case as will fully explain the whole matter, and especially *the manner in which the assent of Canada was obtained.*

"My Ministers *do not agree with the suggestion that the altered circumstances justify a departure on the British side from the disposition previously manifested respecting the composition of the Tribunal.* If members of the Tribunal are to be appointed by His Majesty's Government, my Ministers are of opinion that only Judges of the higher Courts, who in the best sense of the words would be impartial jurists of repute, should be chosen."

The action of the United States made it all the more desirable that all the Commissioners on the British side should be Canadians; in order that the mother country, having sacrificed her daughter nation in the negotiations, should not risk adding fuel to the fire by giving away the Canadian claims through the decisive vote of a non-Canadian Commissioner. Nevertheless, only two Canadians were appointed, namely, Sir Louis Jetté and Mr. Aylesworth, K.C. The third British representative was the Chief Justice, Lord Alverstone. In the event, the Americans fulfilled their bond with the Senate by voting solidly for the American claims on the important points.<sup>1</sup> On these points, including especially the vital question of the boundary at the Lynn Canal, Lord Alverstone concurred with the Americans. At the same time he explained that he was not

"insensible to the fact that there are strong arguments which might be urged in favour of the British view. I have little doubt that, if shortly after the making of the Treaty of 1825 Great Britain and Russia had proceeded to draw the boundary provided by the Treaty in accordance with the terms thereof, the difficulties, and in certain events the *impossibilities*, of drawing a boundary in strict accordance with the Treaty would have been made evident. If, for instance, it had become necessary to draw a boundary in accordance with paragraph 2 of Article 4 of the Treaty, I believe that the view expressed by both the American and British authorities, that it is

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<sup>1</sup> The "opinion" of the American members (Report, p. 76) contains reasoning which travels right through the nineteenth century, instead of being restricted to the circumstances and words of the Treaty of 1825, like the "opinions" of the British members.

impossible to do so, would at once have become apparent. And in the same way, if the contention of the United States be well founded, that no mountains exist on the coast which correspond with the Treaty, a further difficulty would have been made manifest.

"I can, therefore, well understand and appreciate the contention of Great Britain. . . . But . . . I think that the parties knew and understood what they were bargaining about, and expressed the terms of their bargain in terms to which effect can be given. . . ."<sup>1</sup>

Doubtless the judgment of the Chief Justice was in conformity with the highest judicial principles. At the same time, the layman finds it difficult to conceive how two parties who "knew and understood what they were bargaining about," could have agreed upon a boundary which it was impossible to draw; or how "effect can be given" to those terms, without infringing the treaty rights of one or other party. Moreover, the two Canadians, who also were genuine "jurists of repute," had no doubt that the boundary was intended to cross the inlet, in which direction it could have been drawn without difficulty. Accordingly, the layman feels justified in supposing that the question was an exceptionally fine one, and the *pros* and *cons* very nearly balanced, in the mind of the Chief Justice.

But the "opinions" officially presented by the two Canadian Commissioners contain more than a statement of judicial divergencies. Criticizing the majority award as to the islands adjacent to the Portland Channel, they insist that the final allocation of these islands was in direct contradiction of the previous and unanimous finding of the Tribunal upon the meaning of the Treaty of 1825 respecting the Portland Channel. Thus, Mr. Aylesworth:

"The whole truth of the matter is simply this: that, as to Portland Channel, the case of Great Britain before us has been demonstrated to be unanswerable. By unanimous vote of this Tribunal it has been so declared. It was therefore impossible to avoid awarding to Great Britain the islands called Pearse and Wales. It is equally impossible upon any intelligible principle for a Tribunal,

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<sup>1</sup> Report, p. 57.

acting judicially, to hold that Portland Channel, immediately after passing Wales Island, makes a turn at right angles to itself, and runs between the islands of Wales and Sitklan. The sole question presented to us for decision on this branch of the case was whether the Portland Channel of the Treaty lay north of the four islands or south of the four, and *until to-day it has been uniformly admitted by everybody that all four of these islands belonged, all together, either to Great Britain or to the United States.* Instead of so finding, the majority of the Tribunal have chosen to compromise with the plain facts of the case, and while awarding Pearse and Wales Islands to Great Britain have determined to make those islands valueless to Great Britain or to Canada by giving to the United States the islands called Sitklan and Kannaghunut. The latter islands are of the utmost consequence, for they lie directly opposite to, and command the entrance to, the very important harbour of Port Simpson,<sup>1</sup> British Columbia."<sup>2</sup>

Accordingly, Mr. Aylesworth protests that the partition of these islands was "no decision upon judicial principles; it is a mere compromise dividing the field between the two contestants . . . nothing less than a gross travesty of justice." The "opinion" of Sir Louis Jetté was similar to that of Mr. Aylesworth, and he gives similar reasons for refusing to sign the award:

"The character of the functions which had been confided to us is clearly defined. We have not been entrusted with the power of making a new Treaty, and it was not in our province to make concessions for the sake of an agreement. We had simply to give a judicial interpretation of the Articles of that Treaty which were submitted to us."<sup>3</sup>

It is intelligible enough that the three American representatives should have annexed the two islands, despite their own judicial interpretation of the Treaty. For had not the Senate appointed them expressly "to look after American interests"? But, whatever other explanation the future may bring forth, Englishmen cannot suppose that their Chief Justice deliberately acted as a diplomatist rather than as an

<sup>1</sup> The proposed terminus of the Grand Trunk Pacific Railway.

<sup>2</sup> Report, p. 59.

<sup>3</sup> *Ibid.*, p. 65.

impartial jurist.<sup>1</sup> It must be recognized, however, that the situation was one in which complete impartiality was rendered impossible by the simple facts of human nature. No man can wholly free his mind from national environment, when called upon to pass judgment affecting his country's interests. But the effect of this environment upon the mind of an English gentleman, and not least of an English Judge, is to make him give the benefit of a doubt to the other side, rather than risk the possibility of being influenced unconsciously by natural selfishness. It has been shown, as regards the Lynn Canal, that Lord Alverstone's "opinion" seems to indicate that he did not find the question a simple one to decide. Further, the national environment of an Englishman, at that time, contained the consciousness that the British Government attached the very greatest importance to having the Alaskan question settled somehow, and would thankfully sacrifice Canadian rights to placate American jingoism. Finally, ill-informed public opinion in England, so carefully educated beforehand by means of the press campaign directed from Washington,<sup>2</sup> and canvassed assiduously by the social diplomacy which placed the Tribunal in London rather than in Paris,<sup>3</sup> palpably intensified the anti-Canadian atmosphere of the national environment.

On the other hand, it may be objected that the tempera-

<sup>1</sup> "I am not here, and no man would expect me to come here, to justify my judicial conduct by any public speech. If the Judges of England, when they have given their reasons, and when they have given their judgment on their own responsibility, thought it was necessary afterwards to explain and justify their conduct by public utterances and by public argument, a deathblow would be struck at the confidence in judicial decisions. . . . Discussions will arise between nations as they have arisen before. *If you do not want a judicial decision, do not ask British Judges to be members of the Court.* And if any Judge was afraid of doing his duty because of popular outcry or possible discontent, then, indeed, the fount of justice would be undermined, and that which the Judges of England have so long been proud of would cease to be that on which they might justly pride themselves."—Lord Alverstone at the Guildhall (Nov. 9, 1903).

<sup>2</sup> Cf. preceding chapter.

<sup>3</sup> The British Government suggested Paris, but the United States asked for London (Nos. 28-31 in the Report).

ment of an English Judge is all but superhuman. Even so, the appointment was unjust to all parties, quite apart that from the accident that the American "jurists" were pledged partisans. The influence of national environment—the unconscious influence—had been admitted as a principle by the mere fact of national jurists being preferred to neutrals. Therefore common fairness demanded that the Canadian side should not be handicapped by the appointment of a British jurist whose national environment was non-Canadian, if not anti-Canadian. From this point of view, even if the Americans had been "impartial jurists in the best sense of the words," the dice still would have been slightly loaded against Canada by the appointment of an English Judge.

In short, it is a sheer contradiction of ideas to couple national jurists with international arbitration. The acuteness of the American diplomacy, like that of American commercial enterprise, lay in the attentive study of national and personal characteristics, with a view to the unscrupulous manipulation of any weaknesses therein discovered. Thus the American diplomats, throughout the negotiations, carefully maintained the phraseology of international arbitration,<sup>1</sup> in order to win acceptance for a scheme quite opposed to the connotation of those blessed words. Next, having secured a Tribunal which they could trust, having half the members in their pocket, not to surrender the American claims in any case, they worked to assure absolute victory by pressing for such details of arrangement as would enlist on their own behalf the unseen and silent influences of national environment.

<sup>1</sup> Compare the language of the American dispatches in the Report with that of the *Times* correspondent in the course of the negotiations (*supra*, pp. 33-36); and contrast with the following, in which the same correspondent is defending Sir Wilfrid Laurier, *after* the award: "Americans who have had the means of following his diplomatic history know that he has striven loyally for two years past to secure arbitration. *When convinced that arbitration was unattainable*, he accepted the arrangement under which the recent Tribunal was constituted." (*The Times*, Oct. 26, 1903.) This seems to have been the first admission, official or semi-official, that the United States throughout the negotiations had rejected, while Canada had urged, the principle of arbitration; instead of *vice versa*, as persistently stated by the Washington agents.

Fortune favoured the plot, when the Venezuelan entanglement gave American press agents an excuse to fan the Monroe doctrine into an anti-British flare; all for the edification<sup>1</sup> of a Government which, through the loss of Lord Salisbury and the absence of Mr. Chamberlain, seemed to have become invertebrate for the time being. Thus the culminating triumph of the diplomacy was the arrangement which threw upon the English representative the onus of a deadlock, such as would have aggravated the alleged anti-British jingoism.

In Canada, of course, it had been realized from the outset that the breach of faith by the United States had made victory impossible, and that a deadlock was the best result that could be hoped for. When the adverse verdict was announced, it was added to the list of instances in which the United States had bluffed or cheated England at the expense of Canada. Yet unquestionably the same award would have been accepted without a murmur, if it had been obtained in a straightforward manner, and by the verdict of a fully authorized arbitral tribunal. As it was, to quote from the Canadian press:

"The award is a bitter pill to Canada, and Canadians are doing a lot of hard thinking. . . . These easy triumphs of American diplomacy are full of dangerous possibilities. The Americans are likely to make our frontier bristle with boundary issues before Canada is much older."<sup>2</sup>

According to the *Toronto Globe*, the organ in closest touch with Sir Wilfrid Laurier's Government:

"To understand the protest of Sir Louis Jetté and Mr. Aylosworth, it is necessary to bear in mind that the Commission was appointed to adjudicate on the meaning of a treaty. They contend that the finding is a compromise, and that its result is a distinct sacrifice of the interests of Canada. In the light of this protest the

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<sup>1</sup> The dispatches published in the Report show that the United States Government, as the Venezuelan incident developed, was pressing the more urgently for the immediate acceptance of its own Alaskan Tribunal.

<sup>2</sup> *Toronto World*.

finding will arouse strong and lasting antagonism all over the Dominion, based on a sense of wrong, which no consideration of imperial interests will deaden. There is no reason in sight for such concessions, and Canadians will be practically unanimous in the opinion that under the circumstances they should not have been made."<sup>1</sup>

The universal Canadian belief, in the language of the *Montreal Gazette*, was that

"the decision of the Alaska Commission is due to the imperial desire to enhance American goodwill, to which many Canadian issues have previously been sacrificed."<sup>2</sup>

Because the sense of national dignity forbade Canada to cry out with the petulance of a colony, the English people, accustomed to think only of colonies, imagined that the sense of injury was insignificant. But the equanimity of official imperialism and of the country generally, received a rude shock when presently Sir Wilfrid Laurier explained the lesson from the Canadian national point of view. Replying to criticisms in the Dominion Parliament (October 23), about a week after the decision had become known, the Premier used the following language :

"Difficult as I conceive the position to be, I am of opinion that so long as Canada remains a dependency of the British Crown, the present powers we have are not sufficient for the maintenance of our rights. It is important that we should ask the British Parliament for more extensive powers, so that, if ever we have to deal with matters of a similar nature again we shall deal with them in our own fashion and according to the best light we have."<sup>3</sup>

In the following January (1904), he alluded again to the idea of "treaty powers," which he maintained, after the manner of the strongest colonial nationalists, was not incompatible with the conception of a united Empire.<sup>4</sup>

Putting into practice the lesson of the award, the Canadian Government has been quietly strengthening its position in

<sup>1</sup> *The Times*, Oct. 20-22, 1903.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*, Oct. 24, 1903.

<sup>4</sup> *Ibid.*, Jan. 20, 1904.



certain remote northern regions where the Americans have been displaying suspicious activity. This administrative policy, as well as the constitutional suggestions advanced by the Premier, seem to have been approved by the great victory at the polls which the Government obtained twelve months later (November 1904).<sup>1</sup>

If such was the lesson for Canada, what is the lesson for England? What excuse can there be for the imperial Government which, with the history of a century before it, failed to profit by the experience of the past? The hypothesis of panic alone meets the case, because Lord Salisbury, at any rate, seems to have appreciated the risks involved in acceptance of the Tribunal proposed by the United States. As early as July 1, 1899, in a note<sup>2</sup> to the American ambassador, he emphatically declared his opinion that the proper precedent was just such a Treaty of Arbitration as lately had been concluded between England and Venezuela, with the assistance and approval of the United States, to settle the British Guiana boundary question. "I am not able," wrote Lord Salisbury, "to find in its terms anything which is inapplicable to, or would be inconsistent with an equitable and conclusive settlement of, the Alaskan controversy." Yet, after maintaining that view for three years, the British Government ended practically by placing itself in the hands of a Power which seldom has run straight in any arbitration suit with England.

In order to establish the lesson for England, namely, the impossibility of relying upon national or international honour, as understood by Englishmen, in negotiating with the United States, it is necessary to recall the experiences of the previous sixty years; in the light of which the Alaskan affair becomes cumulative evidence and an undeniable warning.

In 1842 there was a settlement of the Canadian boundary. The British plenipotentiary was Mr. Baring, afterwards Lord Ashburton, who concluded the treaty known

<sup>1</sup> In these elections Sir Wilfrid Laurier's party, for the first time, was returned by a majority in the English-speaking provinces, independently of its overwhelming majority in Quebec.

<sup>2</sup> No. 1 in the Report.

as the Ashburton Treaty. The disputed territory, comprising some 12,000 square miles, lay between the American State of Maine and the Canadian province of New Brunswick. By the new treaty, 5000 square miles were assigned to New Brunswick, and 7000 miles, by far the most valuable region, to Maine. The remainder of the story is in the words of a well-known Canadian historian.<sup>1</sup>

"In the United States, however, this division was bitterly opposed. The Senate wanted all. It was on the point of rejecting the Treaty, when it was suddenly brought to terms by Mr. Webster. Behind closed doors Webster unfolded a map, which he had had all through the Conference, but which he had kept carefully from the eyes of Mr. Baring. The map purported to be a copy of one made by Franklin, containing the boundaries actually agreed upon by the Treaty of 1783. The eastern boundary, marked with a red line, was exactly what the British claimed. With this evidence before them to show that the British had been worsted, the Senate made haste to accept so good a bargain, and the Ashburton Treaty was ratified."<sup>2</sup>

In 1872 occurred the episode of the Geneva Arbitration, relating to the *Alabama* claims. In the preceding negotiations the United States had demanded that the terms of reference should include the question of England's responsibility, not merely for the direct injury inflicted by the *Alabama* and kindred vessels, but also for all the indirect damages which were said to have resulted from England's proclamation of neutrality in the Civil War. The sum of liability on this basis was calculated, in England, to exceed the amount of the national debt. Of course the British Government declined to go to arbitration upon such terms;

<sup>1</sup> Charles G. D. Roberts, *A History of Canada* (1897), p. 315.

<sup>2</sup> This is the accepted version in Canada. But another prominent Canadian, writing thirteen years earlier, has stated a different opinion. "I had occasion, some years ago, carefully to examine the whole subject, and I could never discover that the blame of the discreditable settlement of the matter at issue is in any way chargeable to the Washington Government. . . . The diplomacy of the United States was perfectly straightforward throughout." He attributes to the incompetence and indifference of the British representative all the economic difficulties which remain the permanent consequence of this unfortunate business.—Sir Sandford Fleming, in *England and Canada* (1884), p. 125.

and the Convention was signed only on the understanding that these indirect claims would not be submitted to the Tribunal. Nevertheless, when the American "Case" came to be presented to the arbitrators at Geneva, it was found to include those same indirect claims which the United States Government had agreed to exclude. No one can attribute to Mr. Gladstone, who was then Prime Minister, a deficiency in the spirit and language of international courtesy. Accordingly, his opinion of the conduct of the United States is interesting:

"A storm at once arose in England, and nobody was more incensed than the prime minister. In reporting to the Queen he used language of extreme vehemence, and in the House of Commons (February 9, 1872), when Mr. Disraeli spoke of the indirect claims as preposterous and wild, as nothing less than the exacting of tribute from a conquered people, Mr. Gladstone declared that such words were in truth rather under the mark than an exaggeration, and went on to say that 'we must be insane to accede to demands which no nation with a spark of honour or spirit left could submit to even at the point of death.' Speaking of the construction put upon the treaty by the government, he declared such a construction to be 'the true and unambiguous meaning of the words, and therefore the only meaning admissible, whether tried by grammar, by reason, by policy, or by any other standard.' Some persons argued that this was to accuse the Americans of dishonesty. 'I learn really for the first time,' exclaimed Mr. Gladstone to Lord Granville (February 8), 'that a man who affirms that in his opinion a document is unambiguous in his favour, thereby affirms that one who reads it otherwise is dishonest.' His critics retorted that surely a construction that could not stand the test of grammar, of reason, of policy, or any other test, must be due either to insanity or to dishonesty; and as we could hardly assume General Grant, Mr. Fish, and the others to be out of their wits, there was nothing for it but dishonesty."<sup>1</sup>

Later on, in the course of a private letter to Lord Russell, Mr. Gladstone described the American claims as "a dishonoured carcass, which no amount of force, fraud, or folly can again galvanize into life."<sup>2</sup>

<sup>1</sup> Morley, *Life of Gladstone*, vol. ii. pp. 406-7.

<sup>2</sup> *Ibid.*, p. 409.

In the face of Mr. Gladstone's opinion it is unnecessary to recall the outspoken indignation of other great Englishmen of that day, whose plain conception of national honour was less affected than that of their Prime Minister by the "sense of the blessing to the world of an absolute reconciliation in good faith between the old England and the new."<sup>1</sup> Those who desire to investigate the matter may consult the references given by Mr. Morley.

But there is one celebrated authority,<sup>2</sup> whose dispassionate survey of that famous episode, published in the calm of after years, has a special attraction for the student of to-day, by reason of its prophetic tone. In the capacity of counsel on the British side, Roundell Palmer was in a position to appreciate the inwardness of the political methods employed by the United States upon that occasion; and his pages are full of statements and reflections, which, by merely changing a few names, might have been made in reference to the Alaskan Boundary affair. Describing the effect produced in England by the publication of the American "Case," he writes as follows:

"This was an unexpected situation, not easy at first to realize. When it came to be understood, everybody who had any rational concern for the interest and honour of the country felt that this was not an arbitration into which we could ever have consented to go. War itself, forced upon us and not sought by us, would have been a preferable alternative."

Surely his words recall the prevailing Canadian sentiment when the names were announced of those three American "impartial jurists of repute."

Compare, again, the despatch of the Canadian Government, quoted above, with the letter in which Roundell Palmer

<sup>1</sup> *Ibid.*, p. 400.

<sup>2</sup> *Memorials Personal and Political*, by Roundell, Earl of Selborne (1895). All the passages quoted below will be found in chapters x.-xii. of vol. i., which probably give the best extant account of the incidents and conduct of the Geneva Arbitration. The more general lesson of these memorials seems to be that it is exceedingly difficult to obtain an international award based upon purely judicial principles, unless the Court is composed entirely of English jurists.

expressed his opinion, at the request of the Foreign Secretary :

"I doubt whether I should have acquiesced at all (in the proposed reference) if I had not given credit to the Government of the United States for some disposition to aim at a rational and practicable settlement in cordiality and good faith ; which disposition I can no longer give them credit for, after seeing their "Case"—and seeing, further, that they have appointed Mr. Adams their arbitrator."

As to the last point, it had devolved upon the two Governments each to appoint one out of the five arbitrators, the remaining three being foreigners (Italian, Swiss, and Brazilian). England, of course, selected her best "impartial jurist of repute," namely, her Chief Justice, Sir Alexander Cockburn, whose appointment thus corresponds to that of Lord Alverstone in 1903. But the United States, in selecting Mr. Adams, acted on the same principle which led to the appointment of Mr. Root in 1903 :

"Mr. Adams had been the representative of the United States in this country when these claims first arose. It had been his duty to urge them on behalf of his Government, and, whatever might be the natural tone of his mind, the selection of a gentleman who had been so prominently employed as an advocate in the question to act as one of the arbitrators was undoubtedly contrary to the traditional rules of judicial etiquette."

Had Roundell Palmer been writing in the year 1903 he would have known that a written contract has no more weight with the United States than the "traditional rules," which, after all, are only British rules. Contract or no contract, never again can we assume that the arbitrators to be appointed under the treaty will be such as to fulfil the spirit of the bargain on our side.

Respecting the more general attitude of the United States towards international questions, he has recorded some observations of which the justice has been confirmed by subsequent experience. Thus, referring to the demand that the indirect claims should be recognized, he describes how

"we followed the example of the United States themselves; who, in prolonged controversies with Portugal and Spain, had rejected with unflinching resolution, and had refused to refer to arbitration, claims founded on exactly the same principle, and of a like nature, which had arisen under circumstances certainly not less favourable to the claimants."

Even so, in the Alaskan controversy, we insisted vainly upon the precedent of the Venezuelan Treaty, which practically had been arranged for us by the Americans themselves. A similar repudiation of equality or reciprocity between nations was the neglect of the United States to adopt the new rules, respecting the duties of a neutral Power, which were laid down at Geneva, and which we ourselves had adopted beforehand as the basis of the arbitration. One of the advantages which Mr. Gladstone and others had hoped to gain from the arbitration was that the United States would adopt these rules. In fact, there was an express stipulation to that effect. But

"whether we shall ever gain an equivalent advantage, if engaged in a war in which the United States are neutral, remains to be seen. The neutrality laws of the United States are at this moment (1895) no better or stronger than they were in 1818, when those claims of Portugal and Spain, which the Government of the United States persistently rejected, arose."

On this point Lord Russell has proved the true prophet. In a letter to Roundell Palmer he writes: "As to the Act of Congress you suggest, I doubt if it will ever be passed. For two or three millions of indemnity we shall obtain two or three years without a fresh quarrel."

Nor is it surprising to learn that the tone of the American "Case" was "acrimonious, totally wanting in international courtesy." That is the tone which, after a century of diplomatic intercourse with this country, from the war of 1812 to the famous message of President Cleveland and the dispatches of Mr. Olney, has stood the test of experience, and therefore survives.

Finally, it is interesting to read the following account of Mr. Adams, indicating characteristics of American diplomacy

to which attention has been called already in connection with the Alaskan Boundary negotiations:—

“Mr. Adams was a shrewd, sagacious man, with perfect command of a temper naturally warm; not loquacious; keeping his own counsel; too honourable to go lengths repugnant to his sense of fair dealing, even for his country; but too much identified, from the first, with the diplomatic presentation and advocacy of its claims, to make it possible that he could examine them with a dispassionate mind.<sup>1</sup> The part which he took in getting rid of the indirect claims was not less politic than honourable. I have no doubt that it gained him influence with the three independent arbitrators, which his address and coolness afterwards increased. He was not, like Sir Alexander Cockburn, at home in the French language. But Lord Granville, who supposed that this would give the Chief Justice an advantage over him, was mistaken. While Sir Alexander was pouring eloquent French into the ears of his colleagues, Mr. Adams was studying the temper of their minds. The reserved and self-controlled man, who watched and husbanded his opportunities, was in this business more than a match for the brilliant excitable man, conscious of intellectual superiority, and at no pains to conceal what he felt. It is probable that, from the moment when the indirect claims were disposed of, there was a predisposition on the part of the independent arbitrators to make compensation in some way to the Americans for that failure; and, if that were so, Mr. Adams understood how to take advantage of it.”

The spectacle of the judicial arbitrator, searching for weak points in the personal character of his colleagues, instead of in the arguments subjected to his discrimination, naturally belongs to the same diplomacy which wove the subtle web of “predisposition” round a majority of arbitrators in the Alaskan affair.

Another case of arbitration related to the Behring Sea fisheries, and took place in 1893. The dispute arose out of the characteristic pretension of the United States that their territorial waters included the whole of the Behring Sea. On the strength of this claim they had seized and confiscated Canadian sealing vessels.

<sup>1</sup> “Mr. Adams, as was naturally the case whenever it was not too plainly unreasonable, went against Great Britain. . . .”—*Ibid.*, p. 256.

The tribunal, at Paris, consisted of seven arbitrators, namely, two appointed by each side and three foreigners. The arguments on which the Americans relied were supported by certain Russian documents. It was discovered that the official translations contained interpolated forgeries. When an inquiry was proposed, the translator, a Russian resident in the States, was not forthcoming, and so the matter was hushed up.<sup>1</sup>

The award of the arbitrators condemned the United States to pay £100,000 to the owners of the Canadian vessels. But the money was withheld by that earnest champion of arbitration until some six years later, when the Spanish-American War broke out. In the anxiety of the crisis there arose an unfamiliar feeling that presently the benevolence of the greatest naval Power might prove a valuable asset. Then the oversight was remembered, and the award tardily fulfilled.<sup>2</sup>

Considered singly, any one of these incidents might be explained away as an unfortunate accident; regarded in series they become links in a chain. Numerous other incidents might be added to illustrate the unvarying temper of bluster and provocation which, for a century past, has been the attitude of the United States towards England. But the importance of the incidents described above is that they show to what extraordinary stratagems (from a British point of view) the United States will resort in order to achieve the objects of aggression.

The obvious paradox of the position is that, on many of these occasions, the prominent actors on the stage of American diplomacy have included individuals whom it is impossible mentally to associate with the tricks described. To take the

<sup>1</sup> On high private authority. Cf. *Canada Law Journal* :—"In this connection (Alaska Boundary) reference might be made to a collection of historical facts in British and American diplomacy affecting Canada, 1782-1899, by Mr. Thomas Hodgins, K.C., Toronto, 1900; and to an unsavoury episode at the time of the Behring Sea Arbitration, when there was produced as evidence, from the archives at Washington, a document which turned out to contain interpolated forgeries. It was, of course, subsequently withdrawn."—Vol. xl. p. 17.

<sup>2</sup> The money was voted, and paid, in June 1898.



most recent example, no one who has heard of Theodore Roosevelt or John Hay, to name no others, can suppose that their standards of honesty, private or national, differ so widely from our own. What, then, is the answer to the riddle? It must be that such men, even when their personality appears to be strong, after all play a secondary part—the upright aristocrats of whom the cunning company-promoter (to use an English simile) makes a seductive figurehead to cover the intended swindle, and a ready sacrifice when his purpose is accomplished. The actual directors of the United States must be sought elsewhere; and the plain clue to their whereabouts is given by the noted symptom of a peculiar commercial temper, sometimes overwrought and diseased, which has marked American diplomacy in the incidents described. It is the Chicago dollar-getter, enforcing his own foreign policy, with the “smartness” distinctive of his calling, through the medium of the Senate chamber; flouting the feelings of the figurehead in the White House, and backed by the morbid jingoism which is both the cause and the result of the Yellow Press. Likewise the decoy America, when the Sultan is for massacre, hastens to record the protest of a Christian nation. Perhaps at that very hour, in some Southern State, a yelling mob of white American citizens is burning a man alive at the stake; perpetrating under the Stars and Stripes, and within telephone call of the White House, atrocities unsurpassed in the record of human savagery. The railroad swells its profits by running trains to the scene; and the ethics of the mob and the railroad, in the sphere of foreign policy, are an antagonist which England cannot meet on equal terms. Meanwhile in the United States, neither public opinion nor constituted authority can be induced to vindicate the professions of that decoy America which draws our admiring eyes from the monster lurking behind.

Lately (November 1904), President Roosevelt has been re-elected to a second term of office. His overwhelming majority in the presidential elections is attributed to his forceful personality. He has announced the intention of his

party to conclude a permanent treaty of arbitration with England. Some years ago, with the Alaskan question inviting arbitration, the Senate rejected a similar proposition from Lord Salisbury. Presumably the President believes that the Senate now is more amenable to the idea. So it may be, after its notable victory in the Alaskan business. But what are Englishmen to think of the proposal? Is it indeed the new era for which they have waited vainly these hundred years? Alas! national instincts and habits are not made or unmade in a day.

The President, for all his forcefulness, proved impotent to keep his Administration straight in the matter of carrying out its engagements under the Alaskan treaty of arbitration. What guarantee is there that he will be more successful next time? Further, if Roosevelt, the impersonation of high standards and sincere intentions,<sup>1</sup> has failed lamentably to control the American monster, what will be the prospect of fair play when a less upright figurehead takes his place? By all means let us support the principle of arbitration; but not with our eyes closed to the warnings of the consistent past. In blindly accepting the proffered treaty, we may be committing ourselves to a device for facilitating the diplomacy of the confidence trick. If the Empire is not a mere verbal sham, the new treaty must be examined closely as bearing upon Canadian interests. The matters scheduled for arbitration must be restricted carefully; and the individual arbitrators upon each occasion, as it arises, must be subject to the approval of all the Governments concerned. Above all, the treaty must be with-

<sup>1</sup> "It is not difficult to be virtuous in a cloistered and negative way. Neither is it difficult to succeed, after a fashion, in active life, if one is content to disregard the considerations which bind honorable and upright men. But it is by no means easy to combine honesty and efficiency; and yet it is absolutely necessary, in order to do any work really worth doing. It is not hard, while sitting in one's study, to devise admirable plans for the betterment of politics and of social conditions; but in practice it too often proves very hard to make any such plan work at all, no matter how imperfectly. Yet the effort must continually be made, under penalty of constant retrogression in our political life."—Theodore Roosevelt in *American Ideals*, Preface.

held from ratification until sanctioned by the Government of Canada.<sup>1</sup>

Surely it is time for Englishmen, for those at least who have learnt to trust the hidden purpose of their Empire, to realize that they cannot always serve two masters. They cannot, under the spell of the decoy, cringe beneath the kicks of the insatiable monster, without betraying their trust as guardians of the infant Canadian future—that trust which shall be repaid full measure to generations coming after, and in some measure even to themselves, if only they are faithful in their day.

Also it is time for the Canadians, whose clear-sighted patriotism is the one bright spot in the Alaskan humiliation, to put on the full armour of national manhood—in no metaphorical sense.

<sup>1</sup> Since the above was written, the proposal appears to have fallen through, owing to the action of the Senate.

## CHAPTER IV

### FROM COLONIES TO COMMONWEALTH

IN Australia, as in Canada, there has been an intimate connection between the achievement of federal union and the growth of national consciousness. Further, the coincidence that almost the first official action of the Commonwealth Government was to direct the dispatch of military contingents to South Africa, signifies the fact that in Australia, as in Canada, there is not merely a compatibility but even a causal connection between nationalism and imperialism.

At first sight it seems paradoxical that the Australian colonies, having the great advantage of a homogeneous population, should not have evolved the outward, political form of national unity until more than thirty years later than the Canadian Provinces, where a common national sentiment had to be created artificially, in defiance of the racial division between the French and English sections. The explanation of the paradox is a simple matter of history, not uninteresting to those who find an interest in tracing the influence of the Empire upon national development. There appears to be nothing except the sense of imperial security to account for the unnatural prolongation of the colonial system, and the colonialist attitude, upon the Australian continent. In Canada the unmistakable hostility of a powerful neighbour gave urgency to the vital question of the national future—to be or not to be. Meanwhile the Australians, secure in their antipodean isolation, long remained immune from the external pressure which history associates with the birth of nations in the new world as in the old.

The earliest efforts in the direction of Australian unity were prompted, not by any national sentiment, but merely by the hope of improved facilities for commerce. Originally the scattered Australasian settlements were administered from Sydney, until the attendant inconveniences necessitated separation. But when Van Diemen's Land was detached (1825), and provided with a tariff of its own, the two settlements maintained free trade with each other. In a similar spirit, when New Zealand was detached, the Legislative Council of New South Wales passed an Act (1842) to admit imports from New Zealand duty-free. Here then was the germ of the Zollverein system, which in the United States, Germany, and Canada, proved indispensable to the creation of a single national consciousness. But nation-making was not the business of a Minister of Trade and Plantations, then Lord Stanley, who foresaw impediments to British trade, as well as difficulties in connection with commercial treaties and foreign relations. Accordingly the Act was vetoed, and the principle of separate tariffs confirmed; so that the Empire became responsible for the consequent disunion, commercial and political, which postponed Australian nationhood to the end of the century.

Thus at an early date the thoughts of the Australian colonists were diverted from the idea of unity, by force of external control. But from time to time an enlightened Governor or Minister would revive the project of a central authority to unify Australian policy. In 1847, Earl Grey, in setting up Victoria as a separate colony, proposed to institute a "General Assembly of Australia," which should deal with matters of general Australian interest, as distinguished from imperial interests on the one hand, and from provincial affairs on the other hand. Needless to say, the Minister of Trade and Plantations recommended the scheme chiefly on commercial grounds, which indicates that the old policy of Lord Stanley, by obstructing the development of Australian resources, after all was not felt to be advantageous to British commerce. Amongst other arguments for the General Assembly, Earl Grey mentioned the need of constructing railways. Looking back, after more than half a century, it is

only too evident what an enormous waste has taken place owing to the lack of a central authority. It is pitiful to contrast the magnificent railway system of the United States with that which was developed contemporaneously in Australia, where trunk lines have been constructed on three different gauges, and political railways still compete for an unremunerative border traffic.<sup>1</sup>

The case for centralization now was clearly appreciated by British capitalists and traders, and by the Ministers appointed to watch their interests; so that henceforth the Home Government figures as a consistent supporter of the federal movement. But in Australia itself the individualist sentiment of the divided colonies already was so far established that Earl Grey's proposals evoked a storm of opposition. At first colonial criticism fastened on the appearance of dictation from outside, and protested loudly against the forcible imposition of any constitutional change. Afterwards, when the actual proposals came to be considered more calmly, the objections raised were in principle the same as those which were urged at every subsequent discussion, and for many years seemed an insuperable obstacle to unity. Thus, the Legislative Council of New South Wales pleaded that the superiority of the mother colony in wealth and population must be recognized as the only basis of federal representation. Afterwards the Legislative Council of South Australia voiced the apprehension, often repeated in later days, that federation would enable the larger colonies to tyrannize over the others. Also it called attention to the dissimilarity in the pursuits and interests of the separate colonies, and asserted roundly that it could not "see any point upon which benefit would accrue to any of the provinces by the establishment of a General Assembly."

Meanwhile in England, the proposals were submitted to a committee of the Privy Council, which reported favourably. It urged especially the need for a uniform Australian tariff in the interests of trade, and drew up a list of legislative

<sup>1</sup> On the other hand, India, with its single and despotic Government, presents as bad a case as Australia in railway policy.

subjects which might come within the control of the General Assembly. The list included tariff, postal service, light-houses, shipping, weights and measures, and other subjects connected with material development. It is noticeable that defence, the most primary function of a real national Government, is not even mentioned throughout the report. In view of the hostile Australian attitude, the convocation of the General Assembly was to be optional.

But even in this modified form the Bill brought in by Earl Grey was so strongly criticized in the imperial Parliament, some deeming it republican and others uncalled for, that it never became law. Thus the Act which created the province of Victoria contained no provision for an inter-colonial Legislature. Earl Grey alluded apologetically to the deficiency, in sending out the Act, and drew attention to the discouraging attitude of the Australians themselves. He went on to say that he was "not the less persuaded that the want of some such central authority . . . will be felt, and probably at a very early period; but when this want is so felt, it will of itself suggest the means by which it may be met." The first forecast was justified by the event, but not so the concluding consolation, drawn from the *laissez-faire* philosophy which so often has imposed a disastrous lethargy on British statesmanship.

Earl Grey's failure marks the end of the first distinct period in the history of the federal movement, for henceforth imperial statesmen declined to force the pace in advance of Australian opinion. They now took the ground that the colonies themselves must take the initiative; and that the Imperial Parliament, however favourably disposed to the federal idea, should not consent to legislate in that direction except upon a definite proposal presented by the colonial Governments in concurrence with each other. Such an attitude was justified, not only by Earl Grey's discouraging experience, but by the greater independence of those colonies which lately had received responsible government. But this extension of autonomy, while in a local sense making for the freedom which is essential to nationalism, really proved a fresh obstacle to federal union. For, individual colonies,

in the flush of emancipation from Downing Street, now began to lay an absurd stress upon the importance of their new position, treating it as a thing too sacred to be sacrificed in the slightest degree, even for the nobler object of national union. Meanwhile each succeeding year witnessed the further consolidation of separate commercial and political interests. Thus the people of the various provinces became wedded to the notion that provincial autonomy, for which they had fought so long, represented the final stage in their political evolution.

In such circumstances federation might never have been heard of again, had there not been Australian statesmen, from time to time, of views sufficiently broad to embrace the whole of their fellow Australians and the future of their island continent. During the next thirty years the history of the federal movement centres round these missionaries of a gospel which was ignored as an empty fad by the majority of their countrymen. Now, however, when the fad has become a fact and an inspiration, greater honour attaches to the names of Wentworth, Deas-Thomson, Parkes, Service, Duffy, and other provincial statesmen who utilized their brief day of political office to hand on the torch. From time to time intercolonial Conferences, held primarily to discuss specific difficulties of administration or commerce, arising from the existing system, gave the federalists a chance to advocate their more comprehensive ideal. It is during this period that the national idea begins to emerge. Its first vigorous prophet appears to have been Dr. James Dunmore Lang, a well-known Sydney politician in the fifties, who had worked out a complete scheme of federal union on the American model. But when he propounded it to the Legislative Council, he was greeted with "shouts of laughter." Naturally, at that time, he was a thorough republican; and in his book, *Freedom and Independence for the Golden Lands of Australia*, he denounced the British connection in unmeasured terms. His separatist standpoint, and the violent language with which he defended it, seem to have deprived him of the influence to which his far-seeing judgment otherwise entitled him. Of better known politicians, Sir



Henry Parkes at a later date began to develop the nationalist point of view with all the imaginative force of his untutored eloquence.

The period of apathy was prolonged into the beginning of the eighties, when at length the federal movement received a much-needed external stimulus. The stimulus was applied by the intrusion of European Powers into the secluded waters of the South Pacific. That those waters ought to be an inviolable British preserve gradually had become an instinctive article of faith amongst Australians of all classes. The idea not only was a comfortable one in itself, bringing a sense of security from invasion, but derived a certain sanction from the early traditions of British policy in Australasia. The original policy had been to annex fresh territory rather than to allow other European Powers to establish rival settlements. Thus, at the beginning of the nineteenth century, Tasmania and the south island of New Zealand were annexed, in order to forestall French designs. In a similar spirit, a vague kind of protectorate was assumed over the South Sea Islands generally. Admiral Philips' commission gave him authority over "the islands adjacent to the eastern coast of Australia," in many of which, from early times, there were groups of missionaries or traders nominally amenable to the Governor at Sydney. But when the project of a Panama Canal came to be mooted, the British protectorate was not sufficiently definite to deter other Powers from seeking to gain a foothold upon the anticipated trade route. In 1830, Louis Philippe annexed Tahiti, whose queen previously had made an ineffectual request for British protection. A few years later the idea of a British dominion over Polynesia attracted the far-seeing imagination and practical genius of Sir George Grey, then Governor of New Zealand. Through his personal influence he brought the sons of island chiefs to be educated at Auckland, and originated the scheme, revived later on, of a Polynesian Customs Union, of which New Zealand would be the centre. But in England the pendulum had swung to the other side, and Grey's proposals received no support. The same spirit prevailed in 1853, when Napoleon III. took advantage of the Crimean alliance to seize New Caledonia.

Likewise the annexation of Fiji was postponed until the scandals of native employment made it necessary to assume control.

So far foreign intrusion had been confined to France, and though disagreeable, had been on too limited a scale to seem dangerous to Australia. But in the early eighties the question of the Pacific Islands rapidly became pressing. It was a time when the mania for something to call colonies was taking hold of Europe, especially France and Germany. In 1882, France annexed Raiatea, near Tahiti, which gave credence to the rumour that she intended to annex the New Hebrides for a convict station, such as she already had established in New Caledonia. Nothing could have been more distasteful to the Australians, whose recollections of the system which they had uprooted from their own land did not make them relish the idea of having foreign penal settlements perpetuated so near their shores. It seemed certain that time-expired and escaped criminals would contrive to settle in Australia. Presently, further alarm was created by rumours of foreign enterprise in New Guinea, which afforded the nearest base for a descent upon Australian territory. Queensland, as the colony most immediately affected, urged the British Government to declare a protectorate over the island, and undertook to pay all expenses. Such was the tension of the moment that Sir Thomas M'Ilwraith, the masterful premier of Queensland, on his own responsibility sent an officer to plant the British flag and proclaim the protectorate. Other provinces rallied to his support. But the temper of the Colonial Office, under Lord Derby, was not favourable to so vigorous a policy. The action of Queensland was disavowed, the flag withdrawn, and the colonies assured that no foreign Power had designs on New Guinea.

Nevertheless the panic resulted in a Convention, to which not only the mainland colonies but also New Zealand and Fiji sent delegates. It was resolved that New Guinea ought to be annexed, convict settlements in the Pacific abolished, and no foreign Power permitted to acquire further territory in those waters. After repeated petitions, Lord Derby at

length agreed (1884) to establish a British protectorate over the south coast only of New Guinea. The reason for this limitation became clear when the news arrived that Germany had annexed the north coast and neighbouring islands. The fact that the annexation had been sanctioned in advance by Lord Derby, without consulting Australia, illustrates a reactionary conception of imperialism not yet wholly extinct. At the time it excited a fresh outburst of indignation, formidable enough to induce the Colonial Secretary to agree to an extension of the protectorate along the north coast, until a protest from Bismarck again reversed the decision. Meanwhile in Samoa, King Malietoa was provoked by German aggression to seek a British protectorate. In this request he was backed by New Zealand, which offered to bear all expenses, and began to revive Grey's scheme of a South Pacific federation. But Lord Derby again played the weaker part, and presently civil war was raging in Samoa. After four years of bloodshed the Samoan Islands were placed under a joint protectorate of England, Germany, and the United States, which lasted until 1899; when England retired altogether, leaving the other two Powers in possession.

In Australia these events had an immediate influence upon the national movement by emphasizing the weakness arising from disunion. They destroyed the old attitude of indifference to foreign affairs, and the old tradition which located "foreign complications" in far-off Europe. It was felt that if a federal Government had taken the action adopted single-handed by Queensland, Downing Street would have been less inclined to ignore Australian interests. This feeling found practical expression in a Conference which assembled in 1883, and passed a resolution favouring the creation of a Federal Council. The character of the subjects assigned to the Council, by contrast with the lists drawn up at previous Conferences, indicates the national spirit now infused into the federal movement. Foremost came the marine defences of Australia, relations with the Pacific Islands, and the influx of criminals. An Act upon the lines of the resolution was passed by the Imperial

Parliament, in hopes that it might prove a stepping-stone to a more complete union. But the weakness of the Federal Council was that its executive authority depended upon the consent of the individual Governments affected in each instance. Accordingly, Sir Henry Parkes persuaded New South Wales to hold aloof from an institution which he expected would damage the federal cause by breaking down in any case. New Zealand likewise held aloof, and Fiji did not trouble to send delegates after the first meeting. Finally, when it became apparent that federation was approaching on independent lines, the Council surrendered itself to voluntary extinction.

Under the stimulus of the Pacific Islands scare, the question of national defence was placed in the forefront of the federal programme. Advantage was taken of the Jubilee gathering in 1887 to negotiate an agreement with the imperial Government, providing for an auxiliary squadron to protect Australasian coasts and trade routes. The colonies agreed to pay interest, amounting to £126,000 per annum. The squadron was to remain wholly under imperial control, except that it was not to operate outside fixed marine boundaries without the consent of the contributory Governments. This bargain marked the practical beginning of Australian naval defence, which hitherto had been confined to the maintenance of forts commanding the chief seaports. Although the principle of hiring defence is wholly antagonistic to the principle of nationalism, it was felt at the time that the need was urgent, and it was hoped that the presence of the squadron would facilitate the training of Australian seamen.

The problem of military defence had greater immediate influence upon the federal movement, being already recognized as the function of the colonies themselves. Sir Henry Parkes proposed a Convention for the purpose of discussing the application of federal control and federal organization to the disjointed military systems of the separate provinces. To him the paramount consideration was that the military forces should be united under Australian, and not imperial, control; and he did not conceal his hope that the Convention

would draw up a complete scheme of national government. In a letter to the premier of Victoria he suggested, as part of the scheme, the creation of an Australian Privy Council; which seems to indicate that he cherished the idea, gradually taking firm root in the Australia of the new century, of a national Government constitutionally independent of the British Parliament, and connected with the Empire through the Crown alone.

The outcome of these negotiations was an assembly of delegates from the several provinces, including New Zealand, to discuss the question of holding a National Convention for framing a Constitution. It was resolved that the Convention should be summoned, and that the Crown colonies should be represented, which indicates that at this time the federalists contemplated the inclusion of Fiji and possibly other Pacific islands in the national union. Throughout the debates, both at the Conference of delegates and afterwards in the Parliament of New South Wales, Sir Henry Parkes stands conspicuous as a statesman who looked at federation from the national standpoint, treating it as an issue of paramount importance, to which provincial prejudice, and even real provincial interests, should be subordinated unreservedly. His attitude is enhanced by contrast with that of the politicians who ranked next to him. Mr. G. H. Reid absolutely declined to entertain any proposal of federation which did not guarantee to the mother colony her accustomed fiscal policy of half-hearted free trade; while Mr. J. H. Want was content to disparage the whole scheme as a "fashionable fad." Indeed, the majority of local politicians still seemed unable to extricate their minds from the ancient meshes of local prejudices and parochial interests.

Nevertheless, the Convention was sanctioned by the colonial Parliaments, and was composed of the foremost politicians from each province. New Zealand, though far from enthusiastic, sent three delegates, including the veteran Sir George Grey; who, after being twice Governor, in the evening of his long life still held a seat in the House of Representatives, and throughout had been a consistent advocate of federation. Though an extreme democrat in political

faith, he belonged to a passing school in the colony of his adoption, in that he never contemplated a separate national existence for New Zealand, but always supposed its destinies to be indissolubly bound up with those of Australia.

The Convention succeeded in bringing federation well within the sphere of practical possibilities, by presenting a draft Constitution, known to history as the Bill of 1891, for the consideration of the several colonial Parliaments. The Bill is important as having determined the main aspects of the Constitution eventually adopted. It adhered, as far as possible, to the well-tried principles of constitutional dependence upon the British Crown. The happy choice of the title "Commonwealth" was not made without some dispute. There could be no just objection to a name which signifies literally the precise objective of federal union; although its association with the suspension of monarchy in England led some conservative loyalists to detect revolutionary symptoms. The debate about State governors illustrates the American basis of the federation. After their protracted experience of provincial licence, the several States, especially the smaller ones, could not be persuaded to subordinate themselves to the federal Government to the same extent as in Canada, where a more centralized form of federal union undoubtedly makes for more efficient administration and a closer national unity. Accordingly, the smaller States consented only with reluctance to recognize the Governor-General as their medium of communication with the imperial Government, and, in fact, after the Commonwealth was established, attempted occasionally to reassert their old independence. This provincial habit of mind accounts for the course which the States of the Commonwealth have followed in continuing to import their local governors from England, instead of adopting the cheaper, more national, and equally efficient Canadian plan of appointing native governors. For a time there was a marked hesitation when, after the passing of the Commonwealth Act in 1900, there happened to be vacant governorships in one or two States, which were not filled without unusual delay. But when Victoria proved unequal to the opportunity of making a new departure, the other States considered them-

selves obliged likewise to retain the old system. But the question of governors, which naturally attracts the interest of English onlookers, by no means represents the chief disadvantage from which the Commonwealth suffers owing to the recognition of State sovereignty, and the restriction of federal authority to the subjects specifically enumerated in the Constitution. The arrangement of such matters as fiscal administration, and the control of rivers, railways, and inter-State commerce generally, already is proving, by the friction which accompanies it, the superior utility of the Canadian system, under which the provincial Governments exercise only such authority as is delegated to them by the sovereign Dominion.

The position of the Governor-General was settled with less difficulty. Sir George Grey renewed his favourite plea for an elected governor, but won only verbal sympathy. The main principle having been decided, that the national Government should follow, as far as possible, the established constitutional precedents, it was felt that to play with the elective principle would be to prejudice the national cause wantonly.

The Bill next had to run the gauntlet of the provincial Parliaments. A more lively interest now was manifested, since the publication of the draft Constitution had converted a vague abstraction into a detailed proposition. In New South Wales Mr. G. H. Reid still perceived the supreme object of political existence in a free-trade policy, which could not be adopted by any national government without at once prejudicing the national revenue and retarding the industrial development of a continent. He treated federation as a deep-laid plot of the Victorian protectionists to bleed the neighbouring colonies, and likened New South Wales to a teetotaler asked to keep house with five drunkards. On the fiscal question Sir Henry Parkes, who did not survive to see the fulfilment of his ideal, consistently showed himself a genuine nationalist, by urging that the matter should be left to the unrestricted decision of the national Parliament.

A new political factor, hostile to federation, now appeared in the provincial Labour parties. Their sole programme was working-class legislation; and their parliamentary delegates

were selected on condition of exclusive devotion to the sectional interest. Thus, in 1891, they are found objecting to the national scheme because it would divert attention from "urgent provincial legislation," which alone formed their mandate. When they deigned to criticize the actual proposals, they found "imperialism" a convenient catchword. Because a British Governor-General was to preside over the national Government, the country, they feared, would not be more free than formerly from the trifling obligations of the colonial system. And because that Government would undertake the primary duty of national defence, the workers of Australia were threatened with "militarism." Labour colonialism survived long enough to oppose the outburst of national sentiment which compelled the dispatch of contingents to South Africa. Upon the institution of the Commonwealth the provincial Labour parties were averse from taking any part at all in national politics. But circumstances were too strong for so heroic a colonialism. A federal Labour organization presently was formed, and its spokesmen, so far from perpetuating the old tradition, already have been conspicuous occasionally as whole-hearted supporters of a strenuous Australian patriotism.

The innate conservatism of established political interests, backed by commercial support of a similar character, now made it evident that federation could not be achieved until those interests were side-tracked, and the final decision entrusted to the mass of the people by means of a direct referendum. Such was the view of the Australian Natives' Association, a widespread organization of native-born Australians, which was beginning to take a leading part in the federal campaign. Moreover, in the early nineties, the great financial collapse in Australia brought home, in influential business circles, the essential community of provincial interests, making it clear that the misfortunes of one colony could not fail to affect the rest, and thereby modifying the conservative instinct of obstruction to the federal movement. In such circumstances it was proposed that the several colonies should elect, on their parliamentary franchise, special representatives to another national Convention, which



was to draw up a new draft Constitution, and then adjourn for some weeks. It was then to reassemble, and consider any amendments which might be offered after the interval of public discussion. Finally, the Constitution so amended was to be submitted to a referendum in each colony. If three or more colonies accepted it, a petition for legislative enactment was to be sent to the Queen. After much controversy on the old lines, Enabling Acts were passed by all the Parliaments excepting those of Queensland and Western Australia. In Queensland, federation was regarded favourably in the central and northern divisions, as a step in the direction of the subdivision of the province, and the emancipation of a territory dependent on tropical industries from the control of an unsympathetic administration centred in Brisbane, where tropical conditions were said to be insufficiently realised. But in the Queensland Parliament, Brisbane, which feared the competition of other ports under the federal system, was strong enough to defeat the Enabling Act. In Western Australia, the Enabling Act provided for the election of delegates by Parliament instead of by the people, and made the ultimate referendum conditional upon the approval by Parliament of the proposed Constitution. There the situation was curiously analagous to that which was on the point of producing civil war in South Africa. The older settlements along the coast, containing a minority of the population, devoted to agricultural and pastoral pursuits, enjoyed a preponderance of political representation, and now abused their anomalous power to obstruct federation, which, by establishing intercolonial free trade, seemed to threaten their monopoly of the provincial market. But that very prospect served to recommend federation to the Uitlanders of the interior gold-fields, chiefly Australians from the East, who were clamouring for the representation to which their greater numbers entitled them. Thus the Convention assembled without any representatives from Queensland, and with only half-hearted support from Western Australia. New Zealand and Fiji held aloof altogether, making it clear that, for the present, Australian nationalism was not a living force outside the continent, with Tasmania as an adjunct.

The Constitution drafted by the new Convention did not differ from its predecessor of 1891 in any matters affecting its national character. The prelude to the critical referendum was a great campaign of federalist oratory throughout the colonies; in which Mr. (afterwards Sir Edmund) Barton made his mark as the most earnest and the most eloquent exponent of the nationalist creed. The enthusiasm now evoked by the appeal to national consciousness compelled anti-federal politicians, including Mr. Reid, to appreciate the irresistible strength of the new sentiment as a political force. Nevertheless the colonialism which they had fostered, even now sufficed to check the movement in New South Wales. While the referendum in Victoria, South Australia, and Tasmania resulted in a decisive victory for federation, the majority in New South Wales fell short by nearly 10,000 of the minimum affirmative vote, namely, 80,000, which the provincial Parliament had prescribed in its Enabling Act. Thereupon the "anti-billites" made a last determined stand for colonial perpetuation, by demanding the modification of the Bill in accordance with their sectional interests, as the price of a new trial by referendum. Although it was too late to consider concessions of a sweeping character, the other colonies agreed to conciliate the purely provincial susceptibilities of New South Wales by securing to her the privilege of having the future federal capital within her borders, though not within a hundred miles of Sydney. The Legislative Assembly of the mother colony agreed to a new Enabling Act, ordering a fresh referendum. But the Upper House was dominated by the interests of the importers, to whom the vision of a self-reliant, industrial Australia had become the nightmare of a superseded middleman. So determined was their obstruction that the creation of additional members proved the only remedy. Finally, the second referendum was taken (1899), and resulted in an overwhelming affirmative vote.

Meanwhile in Queensland, the decisive verdict of the three colonies and the narrow margin of failure in New South Wales, had revealed the fact that the northern colony was in imminent danger of being left out of a national union, which

perhaps it could not enter afterwards except upon less advantageous terms than those of an "original State." At length an Enabling Act was passed, and the referendum resulted in a decisive majority for federation; the combination of the central and northern districts proving too strong for the opposition of the south. Thus, at the eleventh hour, Queensland throw in her lot with the indissoluble Commonwealth.

There remained only Western Australia, where the provincial Parliament, under the dictatorship of Sir John Forrest, the most obstinate of colonialists, still withheld the Bill from the popular vote. When the rest of the continent had pronounced for national union, agitation upon the goldfields rose to a dangerous level; but, more fortunately than in South Africa, found a constitutional channel ready for its reception, namely, a provision in the colonial charter anticipating the future subdivision of the huge province. Accordingly, a petition for separation was sent to the Colonial Secretary by the people of the goldfields, and came up for consideration when the Commonwealth Bill already was before the imperial Government. Thanks to Mr. Chamberlain's judicious management, Western Australia in its entirety was included as an original State, with the special privilege of retaining its provincial Customs tariff for a period of five years.

Thus, after half a century of unnecessary disunion, the Australian colonies, fulfilling the condition of "concurrence," requested the imperial Parliament to enact the Commonwealth Bill which they had designed. Popularly the Bill commanded so much affection and respect, as representing the deliberate choice of the Australian people, that its passage through the imperial Parliament was expected to be a mere matter of form—a time-honoured and picturesque ceremony. The protracted federal campaign itself had done much to educate national sentiment up to that point; while the reported achievements of the first Australian contingents in South Africa were vitalizing the novel sense of national pride to a degree which the most confident nationalists had not ventured to anticipate so soon. Indeed, this Bill enjoyed a popular sanction such as had been won by no previous effort

of Australian statesmanship; and was held to be binding already, independently of imperial ratification, because the people of Australia had so decreed. In official federalist circles the sentiment was the same, but inspired a dogged determination to have the Bill ratified as it stood, rather than a sanguine expectation that it would be accepted without question at Westminster.

*The first disquieting omen was a request from the Colonial Secretary that delegates might be sent from Australia along with the Bill, in order to explain its provisions, should occasion arise. This invitation at once excited apprehension, after all the labour that had been expended to make the Bill clear to the last syllable. Accordingly four trusted federalists, including Mr. Barton, were selected as delegates. Their instructions were described popularly as "the Bill, and nothing but the Bill," and on no account were they to countenance any attempt to amend it. When the delegates arrived in London, they soon found that their forebodings were well founded. Lord Salisbury's Government objected to certain clauses of the Bill, which seemed likely to impair imperial authority. This attitude seemed natural enough to those acquainted with prevalent English feeling. The conception of "closer union," underlying the vague utterances of ministerial spokesmen during the past decade, seems to be conservative and anti-national; conservative, because it clings instinctively to the antiquated forms of colonial dependence; and anti-national, because those forms are an obstacle to the healthy aspirations of national sentiment. It seeks to perpetuate colonial conditions which are undesirable in themselves and only temporary in any case; and deplores the manifestation of that independent national consciousness which modern history recognizes as a permanent and energizing force.*

In particular, objections were raised to Clause 74 of the Constitution, which soon became the pivotal point of the whole controversy. The clause ran as follows:—

"No appeal shall be permitted to the Queen in Council in any matter involving the interpretation of this Constitution or of the Constitution of a State, unless the public interests of some part of

Her Majesty's Dominions, other than the Commonwealth or a State, are involved.

"Except as provided in this section, this Constitution shall not impair any right which the Queen may be pleased to exercise, by virtue of Her Royal Prerogative, to grant special leave of appeal from the High Court to Her Majesty in Council. But the Parliament may make laws limiting the matters in which such leave may be asked."

The purpose of the clause was essentially national. It aimed at securing the people of Australia in their national right to have their own Constitution interpreted by their own federal High Court. In this matter the framers of the Constitution had been guided by their knowledge of American experience. The Constitution of the United States, drawn up a hundred years ago, naturally failed to provide specifically for all the new conditions and requirements which a century of national progress brought in its train. Accordingly, the Supreme Court, which is charged with the responsibility of interpreting the Constitution as each new difficulty arises, has to give judgments in the light of actual necessities, departing from the strict intention of the written words whenever that intention no longer can be enforced in practice.<sup>1</sup> For example, it seems obvious that the American Republic cannot hold dependencies in the Pacific without violating its Constitution. But when the Americans suddenly found themselves in actual possession of the Philippines, and did not wish, even if they had seen a way, to part with the islands, it would have been useless for the Supreme Court to declare the position unconstitutional. So, when the question came up for decision, the Court contrived to discover that Washington and his colleagues had foreseen and provided for over-sea dependencies.

Obviously a Court entrusted with the non-judicial function of making a constitution workable requires an unusual equipment of local knowledge and of statesmanlike sympathy. That consideration constrained the Australian federalists to

<sup>1</sup> Possibly this function of the Supreme Court has something to do with the popular American conception as to the duties of "impartial jurists of repute."

abolish the right of final appeal to the Privy Council in constitutional cases. The saving clause, which makes an exception of cases affecting the interests of other British countries, and leaves intact the right of appeal in non-constitutional cases, subject to future legislation, was not part of the original federal programme. At one of the earlier Conferences (Adelaide, 1890), it was decided to abolish the right of appeal altogether; and the subsequent modifications were prompted only by an intimation of disapproval from the imperial Government. Accordingly, Clause 74, as drafted above, represented the limit of concession to conservative prejudice which the Australian statesmen felt to be compatible with their nationalist intentions.

But the assumption that colonies ought not to grow into nations still seemed to possess the official imperialists. Mr. Chamberlain urged his objections both on the delegates and on the colonial Governments. He referred to the value of the appeal in securing uniformity of decisions throughout the Empire. He hinted that in certain constitutional cases, affecting, for example, the boundaries of States, the Australian High Court might be suspected of bias, so that the right of appeal would secure greater confidence. Further, he alluded to the pressure put upon him by banks and other financial institutions, which were protesting that constitutional questions often affected commercial interests. Finally, he mentioned a new proposal, which seems to have been devised hastily to meet an unexpected difficulty, for establishing a new and comprehensive imperial Supreme Court, in which colonial Judges were to have a place, with the rank of Privy Councillors and life peerages, and salaries paid out of the imperial Exchequer.

These arguments were answered by the delegates with becoming dignity. Uniformity was shown to be largely fanciful, in matters affecting constitutions based upon widely different principles, or arising under such divergent legal systems as the Mohammedan law of India, the Dutch law of the Cape, or the French law of Quebec. Where uniformity was possible it was said to be secured sufficiently by the mere fact that Australian courts always pay attention to British

precedents. The unworthy suggestion that Australian Judges might not inspire confidence was met with more than merited politeness; and the importance of local knowledge was emphasized. Finally, the new scheme was approved cautiously, but was not admitted to be a valid reason for amending the Bill. In general the delegates, and the colonial premiers, firmly maintained that they had no authority to sanction any alteration of a Constitution which had been ratified by the popular vote, throwing the whole responsibility of amendment upon the imperial Government. The delegates put forward the incontestable plea that if the Australians were fit to make a constitution for themselves, they were not only fit but the most competent to interpret it. When Mr. Chamberlain defended the appeal on sentimental grounds, they could not refrain from pointing out that "no patriotism was ever inspired or sustained by the thought of the Privy Council"; which indeed is the tribunal of the wealthy, far beyond the reach of humbler litigants.

Mr. Chamberlain, however, persisted in his determination to conserve a link of empire. He was encouraged by information privately obtained from the colonial Governors, to the effect that an influential section of the Australian press was on his side in the controversy. The information was correct, but misleading. The newspapers in question included several which had treated federation from the commercial rather than the national point of view; and generally had been conventional in dealing with imperial topics. On the present occasion it was evident, to those more in touch with the national movement, that the editors were expressing views out of harmony with the popular and deep-seated convictions which ultimately prevail. Moreover, the war fever had made it easier than in normal times to assume that the British Government could do no wrong. Accordingly, when Mr. Chamberlain invoked "imperial interests" against Clause 74, the conventional press supported him with a chorus of approval which was either interested or insincere. Mr. Chamberlain learnt further that the Chief Justices of the colonies were ranged on his side. In Australia that fact was estimated humanly, in connection with the prospect of

handsome positions in the capital of the Empire. More serious criticism pointed out that a protracted sojourn in England would deprive the Australian Judges of that local knowledge which was to be the main ground of their appointment. Finally, Mr. Chamberlain received official expressions of approval from the Governments of Queensland, Western Australia, and New Zealand—precisely the colonies in which national sentiment was most backward, having been less educated than elsewhere by the experience of the federal campaign.

Thwarted in their earnest desire to preserve the Bill intact, the delegates set themselves to minimize the forced amendments. In the end the Bill became law, with ample safeguards for the right of appeal to the Privy Council. The following covering clause was inserted:—

“Notwithstanding anything in the Constitution set forth in the Schedule to this Act, the prerogative of Her Majesty to grant leave to appeal to Her Majesty in Council may be exercised with respect to any judgment or order of the High Court of the Commonwealth or of the Supreme Court of any State.”

In addition, Clause 74 was redrafted. The High Court was given the right of granting leave to appeal on its own initiative, in certain constitutional cases; and a provision was added that Acts of the Commonwealth Parliament limiting the right of appeal should be specially reserved for royal assent.

Substantially these amendments left the right of appeal much the same as it exists in Canada, except that in certain cases leave to appeal can be obtained in Australia, whereas no Canadian authority can grant it. Doubtless the official imperialists considered that Australia ought to be satisfied with the same arrangement as Canada. But in reality there is an important difference between the national conditions of the two federations, namely, that Canada is a country of two races, with different religions, antagonistic by tradition, which statesmen are trying to blend into one nation. Consequently constitutional questions, especially those affecting provincial autonomy and educational rights, are liable to lapse into a



feud of race and creed. Hence Canadians can appreciate the value of a final court of appeal, far removed from the scene of strife. But in Australia there is no such special circumstance; and the Australians of the future will be no more inclined than the Americans to entrust the modification of their constitution to an external tribunal.

Another point which the official imperialists took pains to make definite was the application to Commonwealth Acts of the old Colonial Laws Validity Act, which provides that any British law applicable to the whole Empire overrides any conflicting colonial law. In opposition to amendment on this point, the delegates argued that the Bill, as it stood, contained nothing to endanger the object of the Act in question. However that may be, the legislation of the Commonwealth will not be controlled in practice by arbitrary imperial restrictions. If the Australians remain faithful to the Empire, they will take care of their own accord to avoid the complications which haunted the imagination of the Colonial Office. Otherwise, imperial legislation will be worth no more than the paper which records it. The cause of imperial union would have been served better by the display of implicit confidence in the tendency of Australian nationalism. In particular, official misgivings were aroused by certain sections of Clause 51, in one of which the federal Parliament is given power to legislate upon "external affairs." It is obvious that such provisions suggest future difficulties, assuming that it is the object of imperial policy to perpetuate the colonial status. But if, as is the case, that policy has permitted and actually encouraged the growth of national organisms within the Empire, it must also grant scope for the due exercise of national functions, amongst which the control of "external affairs" is one of the principal.

On July 9, 1900, the Commonwealth Act was signed in duplicate by Queen Victoria, and soon the delegates were on their way home, bearing with them a copy of the precious document, together with the table, inkstand, and pen used upon the greatest occasion in Australasian history. By a Royal Proclamation the Commonwealth came into existence on January 1, 1901; and with the new century Australia at

length entered upon her long-delayed national career. The inauguration was celebrated with all the enthusiasm of new-born national sentiment exhilarated by southern sunshine. The visit of the then Duke of York, to open the first federal Parliament, was appreciated greatly as a farewell token of the sympathy long manifested by a beloved Queen. Whether on other grounds the visit was sound policy is a matter of opinion. Perhaps such attempts to familiarize new countries and new democracies with old-world notions of social distinction have tended to the advantage neither of society in those countries nor of the enchantment which distance lends to royalty. A limited class, in the neighbourhood of colonial capitals, is gratified by the novelty of pomp and ceremony; but a larger class is mortified by exclusion from active participation; while the masses of democracy witness the whole spectacle with mixed feelings. Meanwhile, English newspapers supply their readers with the expected narratives of loyal demonstrations, and give them little opportunity to see behind the scenes.

The sense of triumph naturally was felt most strongly by those federalists who had taken up the national cause in its infancy, and had carried it to success in defiance of ridicule and of opposition. In their eyes the achievement appeared unique in history, and the part played by such external influences as the Pacific Islands scare faded into insignificance:

"Never before have a group of self-governing, practically independent communities, without external pressure or foreign complications of any kind, deliberately chosen of their own free will to put aside their provincial jealousies and come together as one people, from a simple intellectual and sentimental conviction of the folly of disunion and the advantages of nationhood. The United States of America, of Switzerland, of Germany were drawn together under shadow of war. Even the Canadian provinces were forced to unite by the neighbourhood of a great foreign Power. But the Australian Commonwealth, the fifth great federation of the world, came into voluntary being through a deep conviction of national unity. We may well be proud of the statesmen who constructed a Constitution which—whatever may be its faults and

Even so, as the larger issue of imperial consolidation takes hold of the imagination and the practical instinct of the English democracy, the free importer vociferates that the restriction of his foreign or exploitative operations involves the economic ruin of the English people. Cobdenism, blighting both industrial enterprise and patriotic ambition, rests heavily on the mother country, as it rested on the mother colony; and in each case is seen corroding the mechanism of both national and imperial evolution. Doubtless the institution of preferential trade, or of an English tariff, cannot take place without commercial dislocation; and therefore, as in the Commonwealth, the temporary losses incidental to readjustment will be magnified so as to obscure the greater permanent advantage which accrues more slowly.

English imperialists of the practical school may sympathize with, and take courage from, the disheartening experiences of the Australian federalists not twenty years ago. To the latter, about that time, the position seemed to be the most desperate into which countries are liable to drift. Existing arrangements, whether social, political, or commercial, which were created long ago to suit special circumstances, have endured until they have become a fixed habit of mind. It seems that only the shock of disaster, or an almost superhuman effort of persuasion, can succeed in breaking the malign spell. Yet, out of such dispiriting conditions the Commonwealth already has emerged triumphant.

## CHAPTER V

### THE CASE OF THE SMALL NATION

DURING the South African War the theory was advanced in England that the Empire is a pernicious institution because it tends to repress those small nationalities which not infrequently have made valuable contributions to the cause of human civilization. Simultaneously it happened, by an interesting coincidence, that the same Empire, all unobserved, was incurring exactly the opposite responsibility in another quarter of the globe. For the decision of New Zealand not to enter the Australian Commonwealth was determined by the fact of the imperial connection.

When, in the summer of 1899, the decisive votes for national union had been taken in Australia, the people of New Zealand found themselves confronted at once by the momentous question of their national future. Were they to follow the advice of the Australian federalists, and throw in their lot once for all with the States of the Commonwealth; or were they to commit themselves deliberately to an independent national existence? The ensuing controversy was remarkable for the absence, in its earlier stages, of a distinctive national sentiment, such as was giving the dominant note to public policy in Canada and Australia; and which, had it been widespread in New Zealand, would have sufficed to prevent the question of federation from being seriously raised. But nationalism is not spontaneous when the soil is too new, as in New Zealand at that time. The country itself lacks those continental features which, in Canada and Australia, as in the United States, have proved a natural and ever-present stimulant to the conception of a future national greatness founded upon self-supporting independence. But in

any case the white population, consisting only of the immigrant generation and the first of the native-born, had not been indigenous long enough for the sentiment of patriotism to have detached itself from the old land and taken root in the new.

Accordingly, at the time when the Boer war and the Commonwealth were imminent together, the question of federation for New Zealand still remained what it had been hitherto, a question of commercial and administrative expediency, not perceptibly influenced by any sentiment except that of provincial distrust, which already had served to delay national union upon the neighbouring continent. However, despite the lack of the sentimental impulse which had swept away all obstacles in Australia, public opinion in New Zealand appeared keenly alive to the importance of the new situation, especially in relation to commerce, which the Commonwealth would create as soon as the Bill had received the formal ratification of the imperial Government.

The condition of domestic politics in the colony seemed such as to ensure adequate discussion of the question. The triennial General Election was approaching, and the opposition party, which had been losing ground for several years past, was badly in need of a new political cry. The ministerialists, for their part, were completely under the heel of their autocratic chief, Mr. R. J. Seddon, who already was remarkable for consummate proficiency in the art of detecting and conciliating the popular sentiment of the passing hour. But the new issue, although long foreseen, had come to a head so suddenly that the most adept politicians found themselves deprived of the lead which they habitually sought in the feeling of the constituencies. In fact, the bewildered electorate itself was looking to Parliament for guidance and initiative. A journalistic canvass indicated a majority of representatives in favour of, or amenable to, the idea of federation. But the Premier, with his ear to the ground, could not yet distinguish the voice of the country. When pressed for a declaration of the government policy on the eve of the dissolution, he declined to commit himself further than to promise that information would be collected which might furnish the basis of future action.

Meanwhile the colonial press was busy arguing the question from the standpoint of comparative commercial advantages. Generally speaking, it appeared that the manufacturers were anti-federal, apprehending the competition in their home market of Australian rivals, who were said to be paying lower wages, and to be less handicapped by elaborate industrial legislation, especially in New South Wales. On the other hand the prosperous farming community, enjoying the best soil and climate in Australasia, was attracted to federation by the prospect of obtaining an even more valuable Australian outlet for agricultural produce than that which they would otherwise lose when Sydney came within the federal tariff. The commercial argument for federation was reinforced by statistics showing a "balance of trade" in favour of New Zealand, indicating that the latter had a greater stake than Australia in the maintenance of the existing commercial connections. Moreover, the Australasian trade relatively was more important to both countries than their other foreign trade, being comparatively free from the element of uncertainty and speculation which characterizes the world-scramble for the remote English market.

The political side of the question, although subordinated to trade, was not ignored. As a State of the Commonwealth, New Zealand would have to send about twenty representatives to the federal Parliament. To some the withdrawal of so many amongst the ablest politicians seemed to threaten the further degradation of colonial political life, already demoralized by parochialism. Others, on the contrary, thought that wider political connections might serve to expand the narrow horizon of colonial interests. Again, federalists were attracted by the idea of the greater influence in external affairs which Downing Street might be expected to concede to the larger federation. Also they anticipated greater economy and efficiency in certain administrative departments, including defence, post and telegraphs, shipping facilities, the establishment of governors, and, above all, the reduction of the annual interest bill which the Commonwealth might effect by taking over and consolidating the State debts, as permitted by the Constitution. The latter item, it was

said, would save the taxpayers of New Zealand no less than £400,000 a year, or about 10s. per head. On the other hand, the anti-federalists protested that provincial independence was cheap at the price, and that the Empire was a guarantee of naval security which could not be enhanced by supplementary arrangements with the Commonwealth.

Under such circumstances it was expected that the question would play a prominent part in the General Election which took place towards the end of the year. However, the event belied the anticipation. During the contest both sides seemed equally anxious to avoid the subject altogether. The opposition party was handicapped by the illness of its leader, Captain Russell, a politician of the old-fashioned stamp, too conscientious to deal as an opportunist with a question which he admitted that he had not mastered to his own satisfaction.<sup>1</sup> No such scruples were attributed to Mr. Seddon, who appeared only to be fighting shy of an incalculable and disturbing factor in the electioneering game. Apart from the federal issue, the prosperity of the country, and the consequent success and popularity of his advanced legislation, were sufficient to ensure victory. At the time it appeared possible that if a few opposition candidates were to take up federation energetically, they might force the new issue upon the premier, and obtain a popular following sufficient to terminate his protracted reign.

But, looking back, it seems that the stars in their courses were fighting to preserve the national independence of a colony still too young fully to appreciate the sacrifice involved by federation. For the accident of the war seems to have been the really decisive factor which determined the national destiny of New Zealand; in the first instance by making it possible for politicians to keep the question of federation out of the critical election, and afterwards by forcing the mushroom growth of that immature national consciousness which now remains a guarantee against the future revival of the idea. The dispatch of the first contingent, only a few weeks previously, to represent the colony in

<sup>1</sup> In conversation with the writer.

its first foreign war, had created an excitement with which no prosaic preoccupation could compete. The people no longer were in a mood to ponder commercial statistics at a moment when their warriors were landing in South Africa, and the spirit of the new island race was on trial. Nor was Mr. Seddon the politician to miss the possibilities of a khaki platform. Thus the novelty of the imperial situation was exploited to distract attention from the inconvenient perplexity of the nearer domestic problem.

The verdict of the polls gave a large majority to the ministerial party, making it impossible for the premier to escape responsibility, supposing the ratification of the Commonwealth Bill involved the colony in disabilities which might have been foreseen and forestalled. Towards the end of February 1900, when the Australian delegates already were on their way to England, Mr. Seddon announced his policy. He expressed the hope that the imperial Parliament would insert an "open-door" clause in the Commonwealth Bill; giving to outstanding Australasian States the right of entering the federation subsequently upon equal terms; or, at the least, securing the principle of commercial reciprocity. Instructions to press for the required amendment were forwarded to the Agent-General in London. The unpractical character of the proposal reflects the premier's indecision. For the Commonwealth Bill expressly reserved to the federal Parliament the power to legislate upon "Trade and Commerce with other nations," and "External Affairs." To suggest that the Australians might suffer the imperial Government to impair their national sovereignty for the benefit of New Zealand, especially after the irritating aloofness of the colony in the fierce struggle of the federal campaign, indicated either an astounding ignorance of Australian sentiment, or an ingenious attempt to shift responsibility.

However, the obnoxious proposal, which was characterized in Australia as colossal impudence, does not appear to have been pressed; and the colony resigned itself to the idea of entering the Commonwealth, if at all, by means of subsequent negotiation. A Royal Commission was appointed by Mr. Seddon to investigate the question both in New Zealand and



on the continent. The commissioners set to work with great thoroughness, examining minutely the position of every industry as affected by the prospective federal tariff. Their Report, not presented until the summer of 1901, unanimously condemned the proposal. They had considered the question in its bearings upon legislative independence; public finance; imperial relations; departmental administration; agricultural, commercial, and industrial interests; the social condition of the working classes, and the problem of coloured labour. As regards defence, they held that the command of the sea was essentially an imperial responsibility, which the colony might recognize by means of a cash subsidy; and that the efficiency of military defence would not be improved by the transfer of authority to the continent. In any case, separate military establishments would have to be maintained; and in any case, considering the imperial tie, the Commonwealth would render all possible assistance to the colony, in emergencies, and *vice versa*. As affecting imperial unity, they dissented from the popular theory that the Empire would be strengthened by the complete federation of all the Australasian colonies. On the contrary, so long as united action was secured by a common loyalty to the Crown, they thought that the co-existence of the two separate Governments might serve to check hasty, independent action upon the part of either. In short, the Empire promised many of the advantages without the drawbacks of the Commonwealth.

But had the report recommended federation, it arrived too late. For in the meantime, the conduct of the New Zealand contingents, described by their own war correspondents, had awakened the latent sense of a separate and indigenous patriotism. Suddenly the people of the colony had seized the idea that they were indeed an island race apart, to their future glory rather than to their present misfortune; no longer "Britons of the South," nor Australasians, but Maorilanders first. In those thrilling days scant respect would have been paid to the suggestion that the most vigorous national individuality of the southern hemisphere should forego its splendid prospect of independent evolution. Nevertheless the nationalism of New Zealand is recent and

immature. Mr. Seddon, for example, still speaks of his country as "the Colony," and plunges headlong into the pitfall of anti-national imperialism, as when he led the movement for dictating the labour policy of the new South African colonies,<sup>1</sup> which the Canadian statesmen were careful to avoid.

In Australia the New Zealand commissioners had met with a sympathetic reception. Sir Edmund Barton had assured them that there would be no difficulty in admitting the colony with all the advantages of an "original State." Other prominent politicians even suggested that New Zealand, in view of her remote and insular situation, might expect to be granted special terms, relaxing the authority of the Commonwealth Government, for example in the department of immigration. On all hands there was a manifestation of friendliness, and a disposition to consider favourably the question of reciprocity, supposing New Zealand should not see her way to entering the federal union. This attitude signified a welcome change in continental feeling. Previously the Australian federalists had shown some impatience with the apathy of the island colony towards the federal movement; and had used the language of menace rather than of persuasion, in a manner recalling the traditional attitude of the American annexationists towards Canada. Not two years had passed since Mr. Barton had ridiculed the idea of a commercial connection without federal union, on the ground that "reciprocity between two populations, one of which would amount to nearly 4,000,000, and the other to 800,000, would be somewhat too unequal to be described by that name." The Americans, although they used to apply that kind of argument to the proposal of reciprocity with Canada, never adduced it to prove that the rest of the United States would profit by the exclusion of, *e.g.*, Illinois; and Mr. Barton himself would have been the last to admit that the Commonwealth would be better off commercially without New South Wales. Yet that is where the line of argument tends, because absolute free trade amongst federated States is only the extreme form of reciprocity. About the same time Mr. G. H. Reid, a more recent convert to federa-

<sup>1</sup> Cf. p. 129.

tion, appeared to be taking a similar line. "How long," he asked, "will New Zealand be able to preserve an independent orbit in the presence of a powerful gravitation and attraction such as Australia will then possess?" That is precisely the kind of question which used to be put to Canadians, by Mr. Goldwin Smith and others, and the answer to it is the Dominion of to-day. But the initial position of New Zealand is more hopeful than was that of Canada in the early days of her national career, when the greater part of Canadian exports went to the United States. Assuming that Mr. Reid referred to commercial attraction, there does not seem to be any law of nature which compels a country to surrender to a high tariff affecting only a fraction of its commerce. Indeed, the case of Canada illustrates the law of British obstinacy working the other way; so that the Commonwealth would be well advised, if it desires to include New Zealand, to foster the most intimate commercial intercourse, rather than to goad the sentiment of independence by irritating pin-pricks.

At the time, the symptom of a threatening tone in Australia served to awaken an apprehension that the Commonwealth might prove to be an over-ambitious neighbour, and in particular might attempt to monopolize the trade with the innumerable islands which are situated to the north of New Zealand. By way of forestalling the risk, Mr. Seddon again revived the old idea of a Polynesian confederacy centred in New Zealand. He obtained the sanction of the imperial Government for the annexation, which he carried out in person, of sundry islets lying in the direction of Fiji (September 1900). The inclusion of the latter would have been a more important step, but doubtless would have encountered formidable opposition from the Commonwealth. In 1901 there was some appearance in the island of an agitation in favour of annexation to New Zealand, which was said to have been fomented by external influences. From one point of view the scheme might prove commercially advantageous to the islands concerned. For they would obtain a free market for cane sugar, in a country which has no indigenous sugar industry to protect; whereas the Commonwealth is compelled to maintain a high duty on imported sugar, for the sake of

the white-labour industry of Queensland. On the other hand, the products of the islands include a large proportion of articles which find no sufficient market in Australasia, and therefore are largely sent to Europe. For this trade the Australasian ports, with their wider shipping facilities, seem to afford a better centre than those of New Zealand. Perhaps in any case, the riper nationalism of the latter country will not favour the political absorption of islands which cannot become a natural part of the white nation's democratic organization, but will prefer to see them remain dependencies of an imperial partnership, upon terms of equal commercial privileges for all partner-States.

The British Empire abounds with illustrations to serve the purpose of those who argue either for large or for small political sovereignties. In the case of New Zealand, when the advocates of independence found encouragement in the example of Canada, their federalist critics bade them take warning from Newfoundland. It was easy to point out that the latter island had suffered by its refusal to enter the Canadian confederation; that its material development had been retarded and prejudiced; and that its people, intellectually, were in bondage to parochialism.

But the case of Newfoundland, although it illustrates the influence of the Empire upon national potentiality, furnishes no analogy for New Zealand. All the conditions which produce and justify distinctive nationalism are present in the one and absent in the other. It is not merely that New Zealand is distant several days by sea from the continent, whereas the passage to Newfoundland is only a few hours. The latter colony, unlike the former, has not, and never can have, the material basis of an independent national existence. New Zealand, with an area approximating to that of the United Kingdom, possesses conditions of soil and climate which suggest the rapid expansion of the agricultural community up to eight or ten millions, together with the growth of a proportionate industrial population. The physical features of the country, with its grand and varied scenery, and the romance connected with its Maori tribes, give it a distinctiveness, apart from its isolated situa-

tion, which already promises to produce a distinctive national character and literature.<sup>1</sup> On the other hand, England's oldest colony, with less than half the area, is not endowed with climatic or physical conditions to raise and support a population upon the national scale, and is doomed by nature to an inferior status, whatever the pretence of its political constitution. So poor an agricultural country, if it aspires to the industrial development which is essential to high civilization, must become merged in a larger free-trade organization, in order to obtain that adequate home market which goes far to determine the location of modern manufactures. If such industries are a future possibility for Newfoundland, they will be developed by capital and labour from a continent to which the island is too near and too similar for a race of immigrants to transfer their sentimental allegiance. In that contingency, the insular sentiment of the small indigenous population will be swamped by the continental patriotism of the newcomers.

The continued isolation of Newfoundland can be attributed only to the fact of imperial protection, without which the island must have become annexed politically to the neighbouring continent. As it is, the attitude of distrustful insularity and unambitious colonialism has become inbred in successive generations of its inhabitants. Formerly, when federation was mooted, political dependents of the existing régime refused to "sell the country for the price of a sheep-skin," which was the alleged value of the federal proposals per head of population. Financially, however, federalists had a stronger case in Newfoundland than in New Zealand, especially considering the absence of local industries. For the federal systems both of the Dominion and of the Commonwealth contain provisions whereby necessitous units may be subsidized from the federal exchequer, at the expense of their more fortunate brethren. Newfoundland, as a decidedly necessitous province, might have obtained public works upon less burdensome terms than those to which isolation afterwards committed her. For whereas Prince Edward Island was equipped with a railway by the federal

<sup>1</sup> Cf. A. H. Adams, *Muorilund and other Verses*.

Government, Newfoundland was constrained to leave her natural resources locked up for want of railway communication until, in desperation, she invoked the assistance of private capital upon the terms of a concession so onerous that subsequently it had to be revised. By contrast New Zealand, so far from becoming the necessitous State and the recipient of federal bounty, probably would have played the unwilling rôle of milch-cow in periods of Australian drought.

The strategic importance of Newfoundland, commanding the mouth of the great waterway which is the main artery of Canadian trade, makes it impossible for the Dominion to respect its independence any more than that of Prince Edward Island, which is a province already. Geographically, the one is as much a Canadian province as the other; just as Tasmania, to quote a truer Australasian parallel than New Zealand, of necessity is a State of the Commonwealth.

In other respects, also, the question is becoming serious for Canada. For the independent, yet irresponsible, colony is inclined to abuse its anomalous position to the detriment of Canadian interests. If the great experiment of a second North American nation is to have a fair field, and live down the hostility of the United States, it is essential that the Empire as a whole should work for, and not against, the legitimate claims of Canadian nationalism. But Newfoundland, seeking her own advantage, has exercised her imperial privilege of autonomy to assist the anti-Canadian policy of American Administrations. The chief trouble arises out of the Atlantic fisheries, which have been a constant source of friction between Canada, Newfoundland, and the United States. The two former together control the more valuable fishing rights, but the latter possesses the more valuable market, which it reserves for its own fishermen by means of import duties. Accordingly, in repeated negotiations for reciprocity in fisheries, Canada and Newfoundland generally have claimed "free fish for free waters." But the key to the situation is in the hands of the island colony, whose shores supply most of the bait required for the great cod fishery. Thus, by acting in concert with the Dominion it was in the power of Newfoundland to play an important

part in obtaining a market for the Canadian fishermen as well as for her own. But the islanders preferred to play the game of the United States, by negotiating a separate agreement on their own account, under which American fishermen would get bait, while themselves alone would get a free market in return. However, a treaty on those lines, long discountenanced but ultimately sanctioned by the imperial Government, was rejected by the American Senate, under the pressure of the sectional interests which generally have succeeded in defeating similar proposals. Thus the Dominion, in its struggle for recognition, stands deprived of a weapon entrusted by the Empire to a colony whose embittered memory of imperial neglect has sterilized the conception of imperial obligation.

It is said that of late years the increasing irritation caused by the French Shore difficulty has made the question of federation more delicate. For the Dominion Government was unwilling to touch the racial susceptibilities of its French-Canadian supporters by undertaking to champion the grievance of the islanders against France. Accordingly, the recent settlement of that ancient dispute, by the Anglo-French Convention of 1904, was followed by fresh overtures, and it was hoped that federation would become an issue in the subsequent elections in Newfoundland, and be carried to a successful conclusion. There was reason to suppose that nearly all the leading islanders were in favour of federation. Yet, when the elections ensued, the politicians on both sides thought it better to accuse each other of conspiring to "sell the island to Canada" than to break away from the tradition of colonialism.<sup>1</sup> Hence in Newfoundland, as formerly in colonial Australia, anti-imperialists may find an example of national eventuation retarded and prejudiced, not by violent repression, but by the deadening consciousness of security.

Doubtless it may be charged against the British Empire, as a civilizing agency, that its steadfast respect for provincial autonomy, and its indiscriminate guarantee of protection, sometimes has fostered an unnatural spirit of isolation, in

<sup>1</sup> Cf. *The Times*, special Letter, dated Oct. 14, 1904.

cases where the boundaries of the colony never can become the boundaries of a nation, nor apathetic colonialism ever expand into the fruitful energy of national sentiment. Yet the sheer fact of two great national unions having been accomplished shows that the British Empire, although it may delay, does not preclude the realization of national instincts. Further, granting that the Empire at times seemed an obstacle to national union in Australia, it must be admitted that, so far from having impeded Canadian nationalism, it was the only obstacle to the absorption of the whole North American continent by a single, overwhelming, national organization, such as Little Englanders deprecate when they detect a similar tendency in the aims of the imperial federalists. If diversified nationalism is desirable in the interests of civilization, then the Empire may claim credit for having made possible, in Canada and New Zealand, the growth of two independent national units which otherwise must have been absorbed in infancy.

Nor is it reasonable to blame the Empire for the situation in South Africa, any more than for the similar situation in Canada, where the development of a new national consciousness has to overcome the competition of racial jealousy. The political boundaries of Canadian and South African nationality were determined mainly by the ruthless facts of geography. Had the Empire been dissolved after the American War of Independence, it would have been no easier for the French-Canadians of Quebec to have founded and maintained a republic upon the banks of a waterway which penetrates the heart of the American continent. The political boundaries of the nation must have expanded none the less to the Atlantic and the Pacific; but would have extended southwards to the Gulf of Mexico, instead of being fixed at the present limit. As a State of the American Union, conforming to the rigid political forms of a prearranged constitution, Quebec must have been deprived of the native and peculiar institutions which she still retains, and French-Canadian individuality would have lost whatever value it now possesses as a progressive factor in human civilization. The possibility of a diminutive republic was precluded by



the non-imperial circumstance of a continuous migration across the Atlantic. Yet, were all obstacles removed, it is difficult to imagine that educated French-Canadians would willingly revert to the old national ideal, abandoning that pan-Canadian conception upon which Sir Wilfrid Laurier often dwells as the motive of his own career, and which was fathered by the British Empire.

Likewise, the natural tendency of European migration precluded the monopolization of South Africa by the Dutch pastoralists; and made it inevitable, apart from imperial intervention, that the smooth evolution of South African nationalism should be disturbed by the friction of racial diversity. It may be objected that at any rate the remote Boer republics, like Switzerland, contained the potentiality of a separate national existence in the centre of a continent. If so, the potentiality was destroyed from within; when the oligarchy, sacrificing the ideal of pastoral seclusion to that of material wealth, introduced a modern racial element which the indigenous nationality was unable to absorb. But if, on the other hand, it is true that the national instinct of the Boers was a genuine South African instinct, seeking to make the political boundaries of their patriotism conform to geographical necessities, then that instinct has nothing to fear from the Empire which created Canadian nationalism out of antagonistic racial ideals. In his "political testament" the late ex-president offered his countrymen the following farewell apology for his career:—

"I must close my eyes . . . far from the land to which I have devoted my life to open it for civilization, and where I saw the development of a nation. But that bitterness will be sweetened as long as I may continue to cherish the conviction that the work once begun will be continued. For then the hope and the expectation will support me that the end of that work will be good."

The national idea of the Boer patriarch was echoed beforehand by the premier of the Dominion, when he asked his French-Canadian fellow-countrymen to assist the Empire in conferring upon the rival races of South Africa the same national potentiality which it had conferred upon the rival

racess of Canada.<sup>1</sup> He too, looking ahead, "saw the development of a nation"; but, with a riper experience of nation-making, was convinced that the end of the work would be good only if the Canadian principle of racial equality<sup>2</sup> superseded the Boer principle of racial supremacy. Possibly the South African federation of the future may evolve, by the process of racial amalgamation, a common patriotism more rapidly than its Canadian precursor. For in Canada the Roman Catholic Church, by repressing the natural tendency towards intermarriage, has deprived the national cause of the most potent solvent of racial jealousy.

In conclusion, it may be claimed for the British Empire that it not only permits the free play of nationalist forces, within and up to the limits otherwise imposed, but also gives the smaller nationalities an opportunity of individual development such as they could not win in an open field of competition, with brute force as the ultimate arbiter of national destinies. Reverting to New Zealand as the example of a small nationality emerging under the ægis, it is possible to discover various supplementary benefits in the imperial connection. Thus in the domain of public finance the advantages which federalists anticipated from membership of the Commonwealth are accruing to independent New Zealand by means of imperial co-operation. For, the Colonial Stocks Act of 1901, which places approved colonial stocks upon the list of investments open to British

<sup>1</sup> On July 31, 1899, the following resolution was passed unanimously in the Dominion House of Commons:—

"That this House, representing a people who have largely succeeded by the adoption of the principle of conceding equal rights to every portion of the population in harmonizing estrangements and in producing general content with the existing system of government, desires to express its sympathy with the efforts of Her Majesty's imperial authorities to obtain for the subjects of Her Majesty who have taken up their abode in the Transvaal such measures of justice and political recognition as may be found necessary to secure them in the full possession of equal rights and liberties." Cf. Sir Wilfrid Laurier's speech; *infra*, p. 124.

<sup>2</sup> Many Canadians think that the principle may prejudice the national cause by being carried too far. Thus the federal recognition of the French language, involving also the printing of every official document twice over, handicaps the national idea.

trustees, helps the small nation to obtain the same credit as its larger neighbours. Again, the small nation seems likely to enjoy freer access to external markets within the Empire than its equals outside. Likewise in national defence, it is possible for imperial statesmanship to develop a system of alliance whereby each nation, without sacrificing its ultimate power of independent action, may obtain security with a lesser burden of taxation than if it was obliged to confront the world single-handed. Finally, it is only through some such organization as the British Empire alone seems to promise, that the small nation may hope effectively to exert the appropriate influence of its national character in the larger sphere of world-politics. So far from repressing any national diversification otherwise possible, the British Empire is proving itself the fruitful parent of new nationalities; not only safeguarding their infant growth, but offering them, as they reach maturity, a career of national utility in imperial partnership, as an alternative to the barren impotence of self-centred isolation.

## CHAPTER VI

### THE SOUTH AFRICAN WAR

THERE is no surer test of the vitality or decadence of a people than the attitude which it adopts on questions relating to the obligation of national defence. The proposition might be illustrated from European experience, but is put forward here as furnishing a criterion of progress from colony to nation. The colonial view of the obligation does not excite the admiration of outsiders. However natural in itself, it reflects the degrading influence of the Pax Britannica, which has been secured by the almost unaided effort of the mother country. It regards the defence of the whole Empire as essentially England's business. It seeks to justify itself by referring to the commercial stake of England in her colonies, pleading that as a reason why the burden of imperial defence should rest on her alone. It urges that the duty of a colony is to "develop its resources," *i.e.* to grow in population and wealth; and to refrain from undertaking responsibilities which would take men and money from material pursuits. Accordingly it claims the protection of the English navy as a right which involves no duty of contributing to its support; and expects to be commended for "loyalty" if occasionally it sanctions a trifling expenditure on forts or militia. In short, colonialism requires the mother country to take every risk and spare no expense in securing the whole Empire from invasion or loss; but refuses to admit any active reciprocal obligation on the part of the colony.

The national view is the antithesis of the foregoing. Its basis is the national sense of self-respect which chafes under the feeling of dependence upon the favour of others. It

feels the degradation of living upon sufferance. It regards efficiency for national defence as a primary obligation, the recognition of which is as essential as any literary education to the welfare of the citizen. Within the Empire national sentiment is uneasy, so long as imperial protection is enjoyed while the corresponding responsibilities are not fulfilled. It abhors the debasing theory that the status of a colony is final; or that its only function is to be reproductive in the material sense. It admits the obvious necessity for a gradual method of progress; but sees the ultimate goal only in an acknowledged position of equality in the council of nations.

Naturally, the colonialist view has prevailed hitherto in the colonies of the British Empire; because none of those which remained, or were added, after the War of Independence, have yet fully grown into nations. If the American colonies had remained within the Empire they might not have produced an American nation quite so rapidly as they did; but it is certain that their separate national sentiment, the product of geographical and racial environment, long ago would have brought to a head the imperial questions which only now are becoming urgent in Canada, Australia, and New Zealand. In each of these countries the present stage of development is that of transition, more or less advanced, from colony to nation. Accordingly their attitude on defensive and military questions reflects the progress of the conflict between the old colonial and the new national habit of mind.

In all the colonies the duty of military defence has begun to be recognized earlier than that of naval defence. To the imagination, soldiers and rifles, for the defence of hearth and home, appeal more vividly than sailors and ships. Moreover, military defence does not present the difficulties of expense and organization which beset a young country in its endeavour to acquire and maintain a navy of its own. Finally, long before the South African War, some of the colonies experienced sufficient fighting within their own borders to realize the advantage of depending primarily on themselves for military defence.

The influence of embryo national sentiment upon colonial

defensive policy naturally is not felt all at once. The movement exhibits itself as a gradual evolution, sometimes stagnant, if not retrogressive in uneventful times of peace, but receiving a marked impetus in the excitement of contemporary war. In the purely colonial era, before national sentiment was a living force at all, the effect of an imperial war was merely to arouse the sympathy of kinship, naturally felt by settlers either newly arrived from the mother country or not separated by more than one or two generations. This sentiment is satisfied by the raising of funds for the British soldiers, or by the recruiting of warlike individuals for the British army, as occurred in Australia and Canada during the Crimean War.

Later, when national sentiment begins to have a slight influence, the colonial Government may offer a contingent. But colonialism is still strong enough to shirk the cost of the enterprise, and so the contingent is offered only on condition that the expense falls on the imperial Government. Such an offer was made by Canada in the Sudan War of 1885, but was not accepted. On the other hand, New South Wales offered to send a contingent and to pay the cost, showing that there the sense of self-respect was more advanced, for the time being, in spite of the non-national political condition of Australia, than in Canada, where political forms already were national.

To this stage belongs the idea of making cash contributions to imperial defence. Thus some of the Australasian colonies in 1887, being alive to the need of a special naval force in Australian waters, yet feeling that it would be degrading simply to beg an extra squadron, undertook to pay interest on the cost of the ships required. Similarly Cape Colony, ten years later, offered an annual subsidy of £30,000; a sum too trifling to bear any proportion to the advantage of having the protection of the British navy, yet sufficient to indicate that Afrikaner self-respect was becoming strong enough politically to make a slight impression upon colonial apathy.

Also at this stage, colonial conservatism has performed a useful service by forcing the progressive spirit into a more truly national channel. The colonialist aversion from national

responsibility is aggravated by the prospect of increased taxation. Accordingly the colonialists have urged upon the nationalists that, if any contribution at all is made, it ought to be done in such a way as to "keep the money in the country." Under the influence of this argument, Natal undertook to supply coal, up to £10,000 a year, for British men-of-war visiting her harbours (and leaving some money there); Newfoundland contributes to the expense of training her hardy seamen on British cruisers, thus enabling them to supplement their precarious livelihood; and Canada contributes to the annual maintenance of the naval station at Esquimaux, where most of the money is spent ultimately in Victoria and Vancouver.<sup>1</sup> Now, money spent on this plan really does more for national defence, and so indirectly for imperial defence, than money sent to London. The latter system does nothing whatever to educate and equip the rising nation for independent participation in war. On the other hand, by maintaining naval reserve forces, developing coal mines or building dockyards, the colony promotes national education in self-defence, and forms the nucleus of naval power, at the same time disciplining her citizens for industry and developing her trade. Accordingly, when economic advantages thus coincide with the true principles of national defence, it is not surprising to find that the idea of "spending the money in the country" is becoming much more popular than the alternative of subsidizing extraneous armaments.

It is obvious, however, that this comfortable theory may be carried to extremes, and even become an excuse for really neglecting national defence. For material development in any direction may be called a contribution to imperial defence, at least in the sense of increasing the taxable capacity for emergencies. Some kinds of development give less indirect aid than others, but still cannot properly be reckoned as a national contribution to imperial defence. Of this class, a notable example is the Canadian-Pacific Railway. One often finds Canadians—for example, Sir Charles Tupper, who pro-

<sup>1</sup> At the time of publication there are renewed reports that the Dominion is about to take over Halifax and Esquimaux.

fesses vigorous imperialism—pointing to the C.P.R., “the new highway to the East,” as a Canadian contribution which ought to be considered by those who make disparaging comparisons of the amounts paid towards imperial defence by British and Canadian taxpayers respectively. But the railway was not built with that object; nor does the argument show Canada in a more satisfactory light. For if Canada enters the railway on her side of the account, then England may reckon her steamship lines and ocean cables; the final result being more invidious to Canada than before. In fact, the argument, however popular, seems to belong essentially to the colonialist habit of mind, although it indicates an awakening consciousness that imperial defence is a mutual obligation.

The foregoing summary prepares the way for a survey of the part played by the colonies in the South African War. For, alike in Canada, Australia, and New Zealand, the phase of public opinion which sent out the contingents can be understood and estimated only in reference to the conflict, which it stimulated again, between the old colonial and the new national sentiment. Consequently, in each country the movement was seen to follow the same broad lines, although its development was affected and modified by conditions and circumstances peculiar to each.

The outbreak of the war found the peoples of all three countries unusually well disposed towards the policy of co-operative imperialism, which the more advanced nationalists were inclined to favour. Above all, the heart of the Empire at this time appeared to be vigorous, and imperial policy to be prosecuted efficiently. The Sudan campaign had been conducted to success in an impressive manner, bringing unmerited credit to the British War Office. The Jubilee pageant, with its overwhelming naval demonstration, had worked powerfully on the colonial imagination. And in every colony the sympathy and activity of the Colonial Secretary had established a conviction that imperial unity was recognized as an issue of living importance by the mother country, and that the separatist principles of the Manchester school had received a final quietus.



Politically, the failure of the latest negotiations at Washington had left Canadian national sentiment in a mood peculiarly favourable to the idea of imperial co-operation. So elated was the country over the manner in which the British Government first had entrusted the business to Canadian commissioners, and then had backed the latter through thick and thin,<sup>1</sup> that the people were more inclined than ever before to reciprocate the advantages which, as a nation, they were now deriving from the Empire. Amongst English-speaking Canadians the prediction had been ventured freely that, if presently the Empire should be threatened elsewhere, there would be such a spontaneous uprising in Canada as would astonish the world. In this popular prophecy there was no thought of South Africa in particular, and few anticipated how soon its accuracy was to be tested.

In Australia the democracy was being carried away by the excitement which the advent of the Commonwealth had aroused. This exuberance included an exceptionally cordial sense of good-will towards the mother country, which from the beginning had shown marked sympathy with the federal cause.<sup>2</sup> Also, it had kindled the spirit of national adventure, the new-born nation naturally feeling eager to show its mettle, and to play a part in the drama of world-events.

In New Zealand the people had less of the national and more of the colonial sentiment than in Canada or Australia, being younger in their national career. Nevertheless, the federation of the Australian colonies extended its influence to New Zealand, by emphasizing the value of the empire, which alone seemed to make it possible for the other partner in the Pacific to avoid amalgamation with the Commonwealth. But the dominating factor was the masterful personality of the premier, Mr. Seddon, whose crude imperialism, using the arguments of loyalty rather than of patriotism, was no less vigorous than sincere.

<sup>1</sup> *N.B.*—The "arbitration" was not arranged until three years after this date.

<sup>2</sup> *N.B.*—The outbreak of the war preceded the manipulation of the Commonwealth Bill in London.

In Canada also, the personality of the premier was an important factor in directing and controlling the movement which it did not originate. Sir Wilfrid Laurier, with the imaginative and logical mind of the Frenchman, seems to have committed himself intellectually to imperial union, without having anticipated the sudden rush of practical imperial questions, especially in the matter of war, into the field of urgent politics. In his speeches, up to this date, he had avoided the military aspect of co-operative imperialism, being more attracted by its constitutional side, as appeared from his frequent allusions to the idea of representation at Westminster, which he seldom mentions nowadays. As a party leader he was handicapped by the backwardness of his countrymen in Quebec, who had not absorbed the Canadian national idea. Nevertheless, on the outbreak of war he was able, after some hesitation, to guide the movement in conformity with the spirit of his former professions.

In Australia the question of sending contingents had to be decided by the colonies individually, the federal machinery not having been set in motion when the war began. Of the premiers, none were remarkable for personal influence. Not all of them were keen nationalists, but all were ready to fall into line with popular sentiment as soon as its direction became evident. Notably Sir William Lyne, who lately had taken charge of New South Wales, began by pronouncing the ideas and policy of extreme colonialism, but in due course became the most vehement of imperialists.

Lastly, the state of commerce was favourable to imperialism. Canada was in the full tide of unprecedented prosperity; and her past history indicates that the most formidable enemy to imperialism of any kind is the industrial depression which provokes dissatisfaction with existing conditions, political or otherwise. Australia, on the other hand, was feeling the depressing effects of a prolonged drought, which might have modified the general enthusiasm if counter-acting influences had not been at work. New Zealand, like Canada, was in the flush of material prosperity.

Thus it happened that in October 1899 the imperialist sections, which roughly coincided with the nationalist sections,

and tended to do so more and more, found popular sentiment on their side. But in each of the countries named the idea of sending contingents first originated with military officers. The commandants made it clear that they, and the forces under them, were eager to take part in the fighting, and in fact were preparing for the expected call. Their motive seemed to be purely military, unconcerned with the questions which weighed with civilians. It was shared, however, by the numerous restless spirits which in every country feel the boredom of ordinary life and are ready to seize any opportunity for adventure.<sup>1</sup> From these sources Cabinet ministers, as well as military officials, began to be inundated with applications for enrolment in any volunteer force that might be sent. Thus the question of sending a contingent became practical. The press generally supported the movement; influenced, according to circumstances, partly by an appreciation of the tendency of public sentiment, partly by conventional "loyalty," and in some cases by a sincere sense of national obligation. But quite apart from the press, which often lagged behind, public sentiment was taking its own line and moving rapidly. The overwhelming majority was for action.

Generally speaking, the points at issue in South Africa were less widely understood than in the mother country, owing to the deplorable poverty of cable intelligence. In Australasia, however, the *Bulletin* did splendid service to the Empire which it habitually traduces by putting the case for the Boers with a persistence and lucidity unsurpassed in any quarter. But in each country the prevailing popularity of the imperial idea caused the majority to take it for granted

<sup>1</sup> "I arrived in Manila on Sept. 3, 1898. The number of Canadians I found serving there was surprising. Canadians formed one-third of the strength of some of the Montana battalions, and in nearly every regiment the country was represented."—Letter from a Canadian volunteer in the *Toronto Globe*, Aug. 5, 1899. According to a New York despatch, dated Dec. 26, 1899, it was "assumed by Government officials" that nearly 3000 Americans had gone to assist the Boers—which illustrates one form of American reciprocity. On the outbreak of the Russo-Japanese War it was reported that numerous applications for service with the Japanese were made in Canada and Australia.

that on the British side the war was both just and inevitable. Moreover, it did not seem to be a war arising from European entanglements in which the new countries had no obvious interest, but a war of colonial defence: the mother country coming to the rescue of British communities, both in Johannesburg and in Cape Colony and Natal, where British liberties were threatened by military aggression. This was an aspect of the struggle which attracted much sympathy in other colonies, each feeling that its own turn might come some day. Accordingly the majority was content to pass over the subtleties of the historical or diplomatic controversy, and to address itself to the practical question of participating or holding aloof.

It was at this point that the difference began to be revealed between the national and the colonial frame of mind. The national view, that out of sheer self-respect the colony ought to reciprocate in the matter of defence, was put forward energetically. But in Australasia many of those who urged this plea seemed hardly to realize the full nature of their own motive, thereby illustrating the infancy of the national consciousness. Without avowing the nationalist creed they followed its instinct; for the sense of disgrace through inaction would not have appealed, and in fact did not appeal, to those whose imagination did not contemplate anything above the colonial status for their country.

People of the latter class were deaf to the argument based, either avowedly or implicitly, on national self-respect. To them a colony was a colony once for all (unless it became an equally defenceless republic some day), under no active obligations to the suzerain power, which of course would defend it for the selfish ends of commerce. In their view the colony ought to be a neutral spectator, at least so long as "the Empire was not in danger," to quote the phrase which the colonialists everywhere repeated as a conclusive argument. Their view of the permanent colonial interest was that England should remain strong enough to give them gratuitous protection for their shores and commerce. It seemed that the present war would not be serious enough to weaken that strong right arm, so that it would be foolish for the

colony to waste its money. To clinch the argument, it was urged that if, after all, it should turn out that the Empire was in danger, perhaps through a European conflagration, the first and only imperial obligation of the colony would be to look after its own safety. Needless to say, the colonialist position was not generally stated in these naked terms. In debate it was veiled with vehement protestations of potential "loyalty" if the Empire should find itself in danger later on. But anyone who goes through the Hansard reports of a single colonial parliament will find ample justification of the above summary.

Such was the broad distinction between colonial and national sentiment which divided public opinion on the contingent question in Canada, Australia, and New Zealand. Yet too wide a generalization always is misleading. In no great political crisis is public opinion divided, and public action determined, by a single and comprehensive difference of principle. In the present case there were numerous minor or subsidiary influences at work. It was urged that the war gave an opportunity to form the nucleus of a national defence force with seasoned veterans, whose experience would be invaluable in directing military organization on sound principles. This alone, it was said, would amply repay the State for the expense involved. It was felt also that colonial statesmen, in the festive oratory of the Jubilee, practically had pledged the colonies to imperial co-operation, a pledge which had been questioned or derided both by Little Englanders and by foreign journalists, and which therefore had to be redeemed as an object lesson to the world that the colonies were not given to making rhetorical promises without intending to fulfil them. Again, to some the sentiment of kinship, enhanced by the personal affection which the character of the Queen attracted in an extraordinary degree, formed a motive for sending troops as a sort of mark of esteem or good-will—the performance of a favour rather than a duty. On the whole perhaps this latter feeling prevailed with the older generation, which comparatively was a stranger to the new national sentiment of the native-born. Finally, there was the small but militant class of

political fanatics, notably in Australia, to whom universal suffrage was a proper object of armed crusade.

On the other side, opponents of the war urged that the injustice of its cause was the all-sufficient reason for holding aloof. But there is good reason to suppose that this plea did not fairly represent the real ground of antagonism in the majority of cases. It is a remarkable fact that in every portion of the Empire the noisy pro-Boer section might be identified with sections already labouring under other prejudices which distinguished them from the majority of their countrymen. Thus in England, most pro-Boers were already branded as Little Englanders, and already had contracted an intense partisan dislike for Mr. Chamberlain and all his works. Therefore his association with the Government would have made them pro-Boers whatever the merits of the dispute. This anti-Chamberlain prejudice practically was non-existent beyond the seas, where the Colonial Secretary was an almost universal favourite, thanks to his unexampled energy and sympathy in dealing with colonial interests. The absence of that paltry prejudice alone suffices to account for the comparative smallness of the pro-Boer party. Yet even in the colonies the party generally might be identified with sections already noted for other forms of narrow-mindedness. Their protest, that the war was unjust, was followed up almost invariably with the standard arguments of colonialism: denying the principle of national responsibility; deploring, therefore, the waste of money; deprecating jingoism or militarism; and finally, disparaging the military qualities of the native-born, who, they prophesied, would cut a sorry figure beside English troops. In Canada many of the pro-Boers already were tainted with the annexationist heresy; in Australia, with the anti-federal heresy; in other words, they were wholly out of sympathy with the prevailing national sentiment. In New Zealand, where nationalism as yet hardly existed, the pro-Boer section comprised many who already were notorious as political cranks—fanatical prohibitionists, anti-vaccinationists, and the like. It is true, that after making full allowance for these cases there remained in each country a small party which opposed the contingents purely

in consideration of the alleged injustice of the war. But the more general tone of opposition was such as to justify the inference that its underlying cause was nothing else than the colonialism which could not rise to the conceptions of national dignity or responsibility, and therefore would not be reconciled to the prospect of taxation on behalf of those ideals.

With public sentiment overwhelmingly favourable, and the daily press universally on the same side, the several Australasian Parliaments, led by Queensland, sanctioned the principle of sending contingents, in most cases by large majorities. In each of the Australian colonies opposition came mainly from the Labour parties, which again, as in the federal campaign, became the representatives of colonialist antagonism to the national idea. Yet it is noteworthy how little, even at this stage, the politicians were able to fathom the inwardness of the national sentiment; and how vague and unconscious that sentiment itself was to those who soon were to realise it so vividly. Of the politicians many, even amongst the supporters of the movement, imagined that the popular demand signified nothing more than the superficial jingoism of the occasion. It was only at a later date, when the least emotional sections of the population were found to be contributing heavily to Patriotic Funds, and adhering steadfastly to the national undertaking, that the people and their politicians began to realize how broad and deep was the basis of their instinctive action.

It is instructive also to notice the insignificance of constitutional considerations in determining the question of participation. To the people the constitutional position was nothing, while the politicians only referred to it when seeking to justify action or inaction prompted by very different motives. Constitutionally, the colonies are at war when the mother country is at war. But in this connection the observations of a Canadian writer apply equally also to Australia, and New Zealand.

"The whole matter of imperial defence, as distinguished from the defence of their own particular territories, presents itself to the colonies as a question of policy, and not as a question of con-

stitutional obligation. Canada, at least, has never formulated its policy upon this matter. . . . While the contingents were not sent in accordance with a settled policy, their despatch can be explained only as a natural result. The crisis was but the shock which precipitated what was held in solution. . . . The two main constituent elements are those which are derived—the one from the great fact of British sovereignty, . . . and the other from the no less important fact of the self-government of a people who hold a land great enough and rich enough to support a nation, and who, by years of common life and common thought, are becoming a distinct people in themselves.”<sup>1</sup>

The strength of the national sentiment is the more striking when it is remembered that at the outset it was not generally supposed that the imperial Government would pay the contingents in the field. On the other hand, no one expected the war to be more than a triumphant march; and so the question of expense was not so prominent as it might have been.

In Canada the decision to participate was not reached so easily, and proved the occasion of political bitterness which at one time seemed to threaten a conflagration of racial antipathy. The nationalists, in demanding that immediate action should be taken, could plead not only that the traditional hegemony of the elder nation was being surrendered to Australia, but that the Government already stood committed to the principle of co-operation in South Africa. For, only a few months previously (July 1899), certain resolutions,<sup>2</sup> moved by the premier, had been passed unanimously, and with a remarkable show of enthusiasm, by the Dominion Parliament, expressing sympathy with the South African policy of the Imperial Government. Referring to these resolutions, the leader of the Opposition, Sir Charles Tupper, had written to the premier, “I think we are bound to do all in our power to assist Her Majesty’s Government.”

Nevertheless, while the Australian Governments successively were offering contingents, the Dominion Government persistently contended that the occasion had not arisen for

<sup>1</sup> W. Sandford Evans, *The Canadian Contingents*, pp. 8, 9.

<sup>2</sup> Cf. *supra*, p. 101.



taking that course. Parliament was not in session; and, as the agitation grew, the Cabinet protested its inability to spend money or to send troops out of the country without parliamentary sanction. It ignored the many precedents set by English governments, of taking action in emergencies in anticipation of subsequent indemnification; although it has been the custom of all the colonial parliaments to be guided by the practice of the mother country. When the war had actually begun, the pressure of the English-speaking population became irresistible; and on October 14th an Order in Council provided for the dispatch of a thousand men. Thus, last of all, the Dominion fell into line.

Later it transpired that peculiar circumstances had attended this tardy decision, giving rise to the imputation that the hands of the Government had been forced by Mr. Chamberlain. During the preceding weeks many offers of service had been made by Canadians who, ignoring their own Government, had communicated with London through the Governor-General, Lord Minto, or the Commandant, Sir E. Hutton. In reference to these offers, in which the Government had not been concerned at all, the Colonial Secretary cabled to Lord Minto on 3rd October. On behalf of the Secretary of State for War, he "would gladly accept four units," of which he specified the organization and equipment. Hence the complaint, made both by the nationalist Opposition and the colonialist irreconcilables, being chiefly French-Canadians, that the Government had been coerced by Mr. Chamberlain, who astutely accepted an official contingent before one had been offered.

Naturally, Sir Wilfrid Laurier does not admit that the Government at this stage, or at any other, acted apart from its own convictions.<sup>1</sup> But whatever the truth about the incident, the important point is that the Canadian Government evidently regarded participation in the war as a policy not to be undertaken lightly. The popular explanation, that it was held in check by the palpable "disloyalty" of its French-Canadian supporters, may be accepted without dis-

<sup>1</sup> "What we did, we did in the plenitude of our sovereign power."—Sir Wilfrid Laurier, in the Dominion House of Commons, March 1901.

paraging Sir Wilfrid Laurier and his colleagues. The demand for a contingent was the demand of the national consciousness. If Quebec was hostile, the fact signifies that the pan-Canadian idea, with its keen sense of national pride and national responsibility, had not yet won supremacy over the racial jealousy which is deep-rooted in French-Canadian tradition. But of all the Canadian missionaries none had preached the gospel of national unity more strenuously or successfully than Sir Wilfrid Laurier to his countrymen in Quebec. If his life-work still was incomplete, there could have been no more cogent reason for caution in the practical undertaking of those responsibilities which, though often described and prejudiced by the term "imperialism," have a sure basis in the sincerity of national consciousness and in that alone. Thus the alleged "disloyalty" of Quebec signified, not disloyalty to the Empire, but disloyalty to the cause of Canadian nationalism.

The reply of the imperial Government to the offers made did not give satisfaction to the nationalists either in Canada or Australia. Its tone was such as to indicate that the War Office attached little military value to the proffered assistance; but would accept it, as a drawback rather than otherwise, in order not to hurt colonial feelings. This attitude had been anticipated by jeering, self-depreciating colonialists, and on that account it was resented all the more keenly by self-respecting nationalists. Another point which created surprise and disappointment was that the War Office, through the Colonial Secretary, expressed a preference for infantry rather than mounted troops. In the colonies men prided themselves on horsemanship as a special characteristic. Moreover they had an amateur impression that South Africa was a country, and the Boers an enemy, which specially required mounted troops of the colonial stamp. But they hesitated as yet to criticize the War Office, remembering the methodical precision of the recent Sudan campaign. They thought the great imperial department must know its own business in so elementary a particular, and tried to expect that the event would vindicate its wisdom in preferring infantry.

The actual terms were unexpected and important in two particulars. In the first place, the imperial Government undertook to provide pay and allowances for the contingents at its usual rates; thus limiting the expense of the colonies to mobilization, equipment, and transport. This was unwelcome to advanced nationalists, who felt that, after all, the forces which they had intended to represent them as an allied nation rather than a dependency were to be made the mere mercenaries of England. Secondly, it was stipulated that the contingents should be organized in small units of 125 men, and should not be accompanied by senior officers; indicating that the forces from each country would not be kept together as national contingents, but would be distributed amongst English regiments under English officers, thus losing their distinctively national character and *esprit de corps*. So it appears that both of the conditions imposed were antagonistic to the national sentiment by virtue of which the contingents had been offered.

Looking back, after the lapse of several years, it is easier than it was in October 1899 to perceive that military considerations alone ought to have determined, as they did determine, the conditions of employing colonial troops. Discipline, which occasionally proved deficient, as was expected, might have been less easy to enforce if all the troops had not been under the same paymaster, or if its official standard had varied according to nationality. Nor was it unnatural for the imperial authorities to imagine that colonial troops might be lacking in other qualities of military efficiency. That idea, always so ridiculous to any traveller, and now so completely belied by actual experience, had been promulgated more openly and assiduously by a section of colonialists beyond the seas than by any section in the mother country. It is difficult, therefore, to blame the imperial Government, in the light of subsequent events, for having accepted the contingents in a spirit of condescension, at the supposed cost of military convenience.

But in October 1899, which is the proper point of view for a criticism of statesmanship, the action of the imperial Government seemed more questionable. No one expected

that the war would be a serious task, so that the occasion gave an opportunity for a statesmanlike response to the colonial offers. The true imperial statesmanship is, and then was, not to vainly oppose, but to acknowledge and encourage the distinctive national aspirations of the new white peoples of the Empire; formulating imperial policy so as to obtain the support instead of provoking the resentment of that patriotic sentiment which alone can give them health and vigour. On that principle the British Government would have allowed the contingents to retain their national identities; but at the same time would have left the responsibility of paying for their maintenance, as a matter of course, upon the shoulders of their respective Governments.<sup>1</sup>

It is interesting to conjecture what might have been the influence of such a policy upon the colonial attitude in the war. If the contingents had been treated as national forces, undoubtedly national sentiment would have been stimulated even more than actually has been the case; because the particular successes would have been more distinctively the work of the individual forces. On the other hand, if the cost of maintenance during so protracted a period had fallen on colonial exchequers, the strain might have been severe upon infant nationalism just feeling its wings. Yet, in proportion to capacity the expense of the war would have fallen less heavily on Canada, Australia, and New Zealand than it has actually fallen on the mother country; and this consideration could not have failed to stiffen national pride. Indeed, such was the prosperity of the Dominion that the public debt was reduced by a considerable sum in the last year of the war. At the same time, the disgust created beyond the seas by the mismanagement of the war is a fact relevant to the present speculation. After all, it is unpleasant to imagine what might have happened if the Salisbury Government had shown statesmanlike sympathy at the outset. It has become evident, at any rate, that in future wars the principle of national alliance must be

<sup>1</sup> In Canada the *Montreal Witness* and the *Toronto Globe* took the nationalist line in this matter. Cf. *The Times*, November 8, 1899.

extended from the actual field of battle, not merely to the imperial Cabinet which decides on peace or war, but to the authority which subsequently directs the campaign and bears the responsibility of failure or success.

When once the principle of sending contingents had been accepted, public enthusiasm was swelled rapidly by the sense of a new national importance. Patriotic funds were opened, and the sums subscribed surpassed all expectations; a result due chiefly to genuine patriotism, but helped by other circumstances. For example that useful doggerel, "The Absent-minded Beggar," in spirit utterly inappropriate to the colonial troops, achieved as much popularity beyond the seas as in the old country. Again, the funds were aided by the sums which merchants and tradesmen contributed from mixed motives. According to the *Bulletin*, in one colony a petition to the Government was prepared, claiming exemption from income tax on these contributions, on the ground that they came into the category of money spent in the ordinary course of business.

The novelty of the whole situation produced an excitement which went far beyond the contemporary experience of the mother country. Even old men, and the pioneer settlers in the remotest districts, who had not been conscious of imperial or national sentiment, were affected by it to an extent which a few weeks previously they would not have dreamed to be possible. This intensity showed itself especially in the intolerance which from the earliest times has been associated with advanced democracy. The pro-Boer in the old country lay on a bed of roses by comparison. Beyond the seas few public men, and still fewer newspapers, could champion the Boers in English-speaking constituencies without losing their position. In some instances civil servants practically were commanded to be orthodox; while in no case would a public appointment be conferred without due regard to the same test. Patriotic funds tended to become a hardship when certain public departments requested "voluntary" contributions from the rank and file.

Meanwhile the recruiting and training of the contingents produced scenes which testified to the extraordinary degree

of popular enthusiasm. Men of all ranks and occupations vied with each other for the distinction of being selected for active service. The camps daily attracted swarms of enthusiastic sight-seers. The soldiers found themselves the object almost of fetish worship. Finally the "send-off" was made an opportunity for the wildest demonstrations, in which old and young alike gave themselves up to an unrestrained excitement, ill befitting the real seriousness of the occasion.

When the troop-ships had departed, more sober thoughts supervened. Beneath all this exuberance there had been an under-current of suppressed anxiety. How would these raw colonial troops acquit themselves beside the imperial veterans? Would they be given a chance to prove themselves in action (supposing them to arrive before the war was over); or would they be confined to the lines of communication? What if the colonialists and the War Office should prove right after all? Even the buoyant nationalists, who had professed the fullest confidence in the native-born, owned afterwards to having felt the suspense more than they cared to admit at the time. But when the contingents had reached South Africa, and had obtained the longed-for opportunities at the front, reports began to arrive which not only allayed all apprehensions, but soon produced a tremendous reaction. Evidently the citizen soldiers were not going to bring discredit on the new nations. Then came the early reverses, revealing the deficiencies of British methods, and especially the utter futility of the British War Office. These reverses also brought home the fact that the war was a really serious one. National pride was stiffened. More contingents were offered; and the people who stayed behind determined to show that the new nations possessed the dogged obstinacy as well as the other great qualities of the old. They felt that their trial was to be more serious than they had anticipated. Once more the flush of confidence was succeeded by a period of sober anxiety. Once more, with the relief of the beleaguered towns, the reaction rushed in; and the thrill of a younger national consciousness culminated in a display of "mafficking" even more excessive than in the mother country. This complete lack of restraint was a persistent characteristic.

When Lord Roberts left South Africa, announcing that the war was over, a "Peace Day" was proclaimed in many parts, and great celebrations were planned. Fortunately the date generally was fixed sufficiently far ahead to be postponed when it became apparent that the end was not yet. By this time the importance of the colonial forces was established fully. From the highest military sources came testimonials to their unique value. On all hands the conviction was expressed that colonial troops were the most effective in the field, especially when the return of the original contingents brought information which, however biassed and highly coloured, at any rate was first-hand. Further contingents were dispatched, with the feeling that they were quite indispensable to the success of the campaign. The supercilious War Office, by this time entirely discredited, humbly condescended to "fawn on the younger nations for the men who could shoot and ride."

The story of the colonial contingents is incomplete without a reference to a special characteristic of the British Empire, which never was more conspicuous than at this time. Throughout the war, the spirit of inter-colonial emulation was an important factor in deciding the action of individual governments. Nor was this local patriotism confined to the outer ring of the imperial circle:

"The cities are full of pride,  
Challenging each to each;  
This from her mountain side,  
That from her burthened beach;"

Toronto to Montreal, Melbourne to Sydney, Dunedin to Auckland, down to every little mining camp in the remotest fastnesses, which made it a point of honour to outdo its neighbour in the number of warriors it sent forth, the amount of its patriotic fund, and even the excesses of its "mafficking."

It is an invidious task to measure and compare the assistance offered by Canada, Australia, and New Zealand respectively. Yet, as such comparison has been made in a sense disparaging the eldest of the younger nations, it is necessary to insist once more upon the part played by

national consciousness. Apart from the French-Canadian difficulty, the Dominion Government, having a more matured conception of the national ideal, was likely to be more impressed by the danger of precedent, and therefore more careful of both the principles and the details of military co-operation, than were the merely colonial Governments of Australasia. Accordingly, it is not surprising that Canada, throughout the war, seemed to lag behind; or that her total contribution<sup>1</sup> of men should seem out of proportion to her resources, history, and position, in the eyes of those who have not appreciated the evolution from colony to nation. Had the Canadian Opposition, with an English-speaking premier, held office at the time, it is doubtful whether the movement safely could have attained even the limited proportions to which Sir Wilfrid Laurier eventually raised it. With increasing intensity French-Canadian sectionalism, voiced by Mr. Bourassa in its extreme form,<sup>2</sup> took alarm at false inferences which imperialists in England were drawing from the evident enthusiasm of colonial co-operation elsewhere. Only the eloquence and known sincerity of a French-Canadian Premier could have kept Quebec in hand. As the Conference proved, two years later, Sir Wilfrid Laurier and his colleagues

<sup>1</sup> The following totals are compiled from Mr. Brodriek's answer to a question asked in Parliament by Sir John Colomb (March 1903), and "Not answered orally." (*The Times* report):—

Canada, 6313; Australia, 15,596; New Zealand, 6107. The Canadian total appears to exclude Strathcona's Horse (512), which was a private enterprise.

<sup>2</sup> How far Mr. Bourassa's mind was free from prejudice, and therefore competent to pronounce upon the tendencies of contemporary political action, may be judged from the following passage, which occurs in one of his parliamentary speeches (March 1901):—

"Chamberlain . . . having had at his leisure and unreservedly the blood of our blood, in order to enrich himself and his brother and the whole of his tribe by selling guns and ammunition."—Hansard, vol. liv., p. 1290 *seq.*

This noble statement reads like a translation from French, the use of which in the federal Parliament has been cultivated by sectionlists. Probably there is scarcely anyone in Canada able to read French who does not understand English equally well, or nearly so. Sir Wilfrid Laurier prefers English in the national assembly, while in Quebec he uses his native tongue.



were fully alive to the dangerous expectancy of English public opinion. But they were too self-confident to be deterred thereby from endeavouring to fulfil the self-respecting national aspiration of the majority of Canada, so far as the sectionalism of the minority permitted. True to his career, Sir Wilfrid Laurier did not miss the opportunity to inculcate the pan-Canadian ideal. With an eloquence unsurpassed in the English language, he represented the war as another struggle for those same "equal rights" which had been mutually conceded by the two races in Canada; and, in the enrolment of French-Canadians, courting a common death with their English-speaking comrades, he found the final symbol of Canadian unity, heralding the bright dawn of acknowledged national independence.<sup>1</sup>

<sup>1</sup> "My hon. friend reads the consequences of this action in sending out a military contingent to South Africa. Let me tell you from the bottom of my heart that my heart is full of the hopes I entertain of the beneficial results which will accrue from that action. When our young volunteers sailed from our shores to join the British army in South Africa, great were our expectations that they would display on those distant battlefields the same courage which had been displayed by their fathers when fighting against one another in the last century. Again, in many breasts there was a fugitive sense of uneasiness at the thought that the first facing of musketry by raw recruits is always a severe trial. But when the telegraph brought us the news that such was the good impression made by our volunteers that the Commander-in-Chief had placed them in the post of honour, in the first rank, to share the danger with that famous corps the Gordon Highlanders; when we heard that they had justified fully the confidence placed in them, that they had charged like veterans, that their conduct was heroic and had won for them the encomiums of the Commander-in-Chief and the unstinted admiration of their comrades, who had faced death upon a hundred battlefields in all parts of the world—is there a man whose bosom did not swell with pride?—the pride of pure patriotism, the pride of consciousness of our rising strength, the pride of consciousness that that day it had been revealed to the world that a new power had arisen in the West.

"Nor is that all. The work of union and harmony between the chief races of this country is not yet complete. We know by the unfortunate occurrences that took place only last week that there is much to do in that way. But there is no bond of union so strong as the bond created by common dangers faced in common. To-day there are men in South Africa representing the two branches of the Canadian family, fighting side by side for the honour of Canada. Already some of them have

In Australasia intercolonial emulation, intensified by half a century of disunion, tended to obscure the importance from a national point of view of the principles involved in military co-operation. Thus the old jealousy between New South Wales and Victoria made it a prime object with each of them to outdo the other in the matter of contingents. As usual, Victoria ultimately contrived to get ahead, thereby exasperating New South Wales into equally ill-considered action. When, in the summer of 1900, the Boxer outbreak necessitated a British naval expedition to China, the Admiralty asked permission of the Australasian Governments to take three shallow-draught gunboats of the Auxiliary Squadron up to China, the voyage being three or four weeks shorter than from England. The Governments concerned acquiesced readily. But that of Victoria offered in addition to send a naval contingent of 200 men, to act on land. South Australia took up the challenge, offering her solitary gunboat, the *Protector*. New South Wales, not to be outdone, reluctantly offered a larger naval contingent, but had some difficulty in getting the men.

The *Protector* and the naval contingents alike earned great credit in China, whence they returned in the spring of 1901. But the enterprise was unsupported by national sentiment. It excited no popular enthusiasm, and the press was apathetic, if not hostile. The *Melbourne Age*, an intermittent champion of Australian nationalism, absolutely condemned it as being calculated to mislead English public opinion, and to play into the dangerous hands of the Imperial Federation League, which was credited with all sorts of schemes for drawing imperial tribute from the misunderstood "loyalty" of the colonies. In short, it was recognized that this was no

fallen, giving to their country the last full measure of devotion. Their remains have been laid in the same grave, there to rest to the end of time in that last fraternal embrace. Can we not hope—I ask my hon. friend himself—that in that grave shall be buried the last vestiges of our former antagonism? If such shall be the result, if we can indulge that hope, if we can believe that in that grave shall be buried the former contentions, the sending of the contingents would be the greatest service ever rendered to Canada since Confederation."—Sir Wilfrid Laurier, in the Dominion House of Commons, March 13, 1901.

occasion for imperial co-operation. It was no case of defending a partner in the Empire against aggression, or of upholding any common interest. The Boxer affair seemed to be one in which England alone was interested, as a country with extra-imperial commercial interests, and a member of a European syndicate; whereas the South African war was for a defensive principle, touching every partner-State, and in the teeth of European antagonism. Accordingly it is certain that if the Boxer disturbance had arisen a year later on, when the federal authority had taken over the foreign relations of the separate colonies, the Australian national Government, like that of Canada, would have refrained from proffering active co-operation.

In New Zealand the wild spirit of emulation touched the weakest side of Mr. Seddon's personality. No Australian rival could keep pace with him in the rapidity with which successive contingents were offered to the mother country. On one occasion, when the prospect of foreign complications seemed threatening, he suggested that the colonies single-handed might deal with the Boers, setting free the British army to go elsewhere. Yet even in the midst of the excitement that accomplished leader of democracy was careful to keep in touch with the popular instinct. The latter never failed him when South Africa was concerned; but did not respond when he described how the dispatch of a contingent to China was an "idea passing through" his mind; and so the idea never matured. On the whole probably no partner-State gained more than New Zealand in national sentiment from the experience of the war which revealed the splendid quality of the new island race. "There are none I would sooner have with me in the field than the gallant New Zealanders" was the testimony of Lord Kitchener, in a cable to the premier. If, nevertheless, the Conference of 1902 seemed to indicate the persistence of certain colonialist conceptions, the explanation must be sought, partly perhaps in the tendency to reaction after excitement, but especially in the impulsive personality of Mr. Seddon himself, who no longer maintains his former unquestioned hold over the people as a whole. Probably his disappearance would be the

signal for a marked nationalist advance, bringing New Zealand more into line with Australia and Canada in matters affecting the imperial connection.

During the last year of the war Australian military affairs were in the hands of the new federal authority. Nevertheless, there was no relaxation of the effort and determination represented by contingents; which helps to prove that the South African policy, whatever the incidental influence of the colonialist régime, was rooted in an essentially national instinct. In one respect the reputation of the Commonwealth seems to have been prejudiced unfairly by the unfortunate circumstances of the time. Owing to the drought employment was scarce, especially amongst Australians of the least useful class. Accordingly, it was from this class that some of the later contingents unluckily were recruited; and the behaviour in South Africa of a very limited section, of which Australia had rejoiced to be rid, seems to have cast an undeserved slur upon the Australian name in the new colonies.

By the end of the war colonial opinion on the military question had become crystallized. It may be summarized as follows. Officers and men alike proved superior in this war to their British brethren: more adaptable to the business in hand; more used to life in the open; handier to make shift under difficulties. They are horsemen, not men on horses. They have eyes and can use them, having been reared in countries of big distances and dazzling mirages. They are not intellectually fettered by rule of thumb, nor by red tape. The officers are not hampered by aristocratic habits and mannerisms, but are more in sympathy with their men. The men are not mere machines without individual intelligence; but being used to think for themselves make better use of cover, and are less liable to panic when deprived of their leaders. In one respect only are the imperial officers and men admitted to equality in the essentials of war, and that is in point of courage. On this score not a word of disparagement, but only admiration, was expressed; with the qualification that reckless courage leads to deplorable waste of life.

Such, in brief, is the deliberate judgment of Canada, Australia, and New Zealand. It is nothing less than a complete reversal of traditional colonialism, which was in the habit of assuming that the colonies, without the potential support of the British army, were at the mercy of the first invader who brought a small, well equipped force of fully trained men. Its necessary effect on national pride is evident. Even before the war the prowess of the Australian cricketers was beginning to impair the tradition of inferiority. But now colonial self-valuation has undergone a complete reversal, such as no other experience could have effected. The former tendency to self-disparagement has given place to a self-appreciation which easily admits of exaggeration, and immediately affects the future of the Empire. Countries which in October 1899 were still essentially colonies have sprung suddenly into the manhood of national consciousness. The change will become most apparent in their attitude towards defence. They feel their self-sufficiency, and are confident that they can hold their own unaided against any invaders, just as effectively as the little Boer nation opposed the British Empire. Accordingly, the first practical result of the war is the reorganization and strengthening of military forces for home defence, in the light of South African experience rather than on the advice of the British War Office. Such sentiments may or may not be justified, but in any case they form a solid fact with which imperial statesmen in future must reckon.

Incidentally the war has brought into prominence another aspect of the difference between the colonial and the national attitude towards the imperial connection; namely the question of the extent to which active co-operation in defence entitles any partner-State to interfere in the internal affairs of another partner-State. The colonial view regards such interference as a question of expediency, while the national view entirely condemns it on principle.

During the war itself occasions arose for the discussion of the question. In the spring of 1900 the activity of the South African Conciliation Committee created some alarm beyond the seas. In Australasia the Melbourne *Age* took

the lead in a movement for strengthening the hands of the imperial Government, by urging a "Speak-Out" policy upon the several colonial Governments. Accordingly at the end of March, Sir William Lyne, acting on behalf of all Australia, sent a telegram to the Colonial Secretary deprecating the conclusion of peace except on the basis of the absolute supremacy of British rule. New Zealand sent a similar message, declining foreign intervention, and refusing assent to the independence of the Boer republics. The Canadian Government apparently thought that such representations were premature; but nevertheless expressed its approval, in the Dominion Parliament, of the terms of settlement indicated by Australia. So far the action of the younger partner nations was only the same as that of Canada before the war.<sup>1</sup> It was a case of making representations about foreign relations to the imperial Government, as the responsible authority for directing the foreign relations of the whole Empire.

But the next occasion was of a different character, namely, the General Election in England, in October 1900. At the end of September the Tasmanian Government cabled to the Colonial Secretary, hoping "that the electors will emphatically insist that the fruits of victory shall be effectively secured." A similar message might have been expected from Mr. Seddon. But that experienced autocrat, having placed his ear to the ground, announced that in his opinion a reference to the elections would be out of place. No Australian colony followed the Tasmanian lead, and of course not Canada. In short, the nationalist instinct, then at its height, is against mutual interference in domestic affairs. Had the Liberals won in England, and proposed a surrender, no doubt the Dominion Government would have taken the lead in making protests to the imperial Government as such. But the nationalist instinct, claiming mutual independence, forbade even the semblance of dictation to the English electors, who were supposed to be choosing representatives primarily to deal with local English affairs.

The final occasion was created by the proposal to introduce Chinese labour into the Transvaal. All the younger

<sup>1</sup> *I.e.* in the parliamentary resolutions mentioned on p. 115.

nations are hostile to this system in their own countries, and especially Australia. It happens that the controlling power in the Commonwealth, during recent years, has been the Labour party, whose policy in the prefederal era was the very embodiment of colonialism, although now rapidly becoming nationalist. Considering also the dogmatic character of the Australian Labour creed, the temptation obviously was great for the Labour party to insist upon a white South Africa in the name of the white Australia which had helped to win the country; disregarding both economic differences and the constitutional dangers of the proposed precedent. As early as September 1902 the Commonwealth Government was urged to make representations on the subject of Chinese labour. Mr. Deakin, then Attorney-General, refused; taking the proper nationalist line, namely that "the citizens of the Transvaal and Orange River Colony would resent Australian interference" (Reuter, Sept. 26).

But later on, when the introduction of Chinese became the avowed policy of the Transvaal Government, popular feeling in Australasia was strong enough to over-ride the prudence of statesmanship. In January 1904, Mr. Seddon memorialized the premiers of all the self-governing colonies, proposing that a joint protest be sent to the imperial Government. Natal, innocent of the nationalist conception, debated the matter in its Legislative Assembly. The motion to endorse Mr. Seddon's proposal was defeated by two votes, apparently not on principle, but on the ground that the Transvaal required additional unskilled labour (Reuter, Jan. 13). In Australia, Mr. Deakin, then head of a Government which was at the mercy of the Labour party, consented to join Mr. Seddon. But his real judgment of the case may be inferred from the terms of the joint telegram: "Though reluctant to travel beyond our boundaries, in order to obtrude into matters of local import, the Ministers are compelled to express their deep apprehension of the results of the introduction of the Chinese into the Transvaal," etc. (Reuter, Jan. 19). Not so the Dominion Government, which once more vindicated its traditional claim to lead the younger nations, by its clear perception and unfaltering

support of the principles and policy of national independence. For Sir Wilfrid Laurier and his colleagues flatly refused to join in this attempt to dictate the domestic policy of the conquered State, which it was the proclaimed intention of the imperial Government to treat as a self-governing colony in questions of internal development.

The uncompromising hostility of the English Liberal party to the policy of Chinese labour in the Transvaal perhaps may be counted a gain to the Empire, in so far as it has unexpectedly committed the former champions of cosmopolitanism to the principle of national exclusiveness, which is expressed in national politics by the rigorous exclusion of low-wage aliens. But the realization of a white South Africa involves the solution of the local native problem before the question of Chinese labour is worth discussing in this connection. Unlike any other of the younger countries, South Africa contains a preponderating and rapidly increasing population of indigenous coloured races. Until some means is devised of excluding these from competition with the white man, in work which the latter is physically able to perform, it is ridiculous to represent the introduction of Chinese, especially under a contract which facilitates their deportation, as the obstacle to the development of South Africa as a white man's country.

If a beginning was to have been made in connection with the mining industry, by restricting employment underground to white men, then it would have been necessary to deprive many thousand natives of their usual work. For the white man will not long continue to work beside, or even near, the coloured native in any of the younger countries. The native is the only racial question which really darkens the future of South Africa. Yet the Liberal party agitators seldom refer to the native problem when they represent the introduction of the Chinese as the capitalist's alternative to the employment of white labour.

On the other hand, in relation to the question of the imperial future, it is deplorable that the party which formerly was identified with colonial autonomy should have been tempted to violate the one principle of permanent utility



in the imperial, or anti-imperial, creed of the elder Liberals. For it has persistently denounced the policy of the Government, without ever adducing proof that the latter had misjudged the tendency of local opinion. It is said that the people of South Africa, who formerly were hostile to the idea of imported labour, demanded the measure so soon as they realized that a financial crash was impending owing to the failure of the mining industry, and consequently of the country in general, to develop so rapidly as had been expected after the war. However that may be, present indications are that the policy of Chinese labour is approved by the people generally.<sup>1</sup>

But the English Liberals have not been content to base their opposition solely or even primarily upon the rash assumption that the imperial Government, advised by Lord Milner, misjudged the tendency of local opinion. From a hundred platforms they have denounced the Chinese contract as "slavery," and have declared that as such it is not permissible under the British flag. Here, then, the principle of colonial autonomy is repudiated openly. Instead, a right of imperial interference is asserted, which is an acknowledged anachronism, and cannot be revived in practice without the risk of civil war. If crown-colony government was a temporary necessity, owing to the racial bitterness left by the war, the task was rightly entrusted to an administrator who, true to the genuine Liberal doctrine, conceived that the interests of the country, as he found it, deserved more consideration on his part than the opinions of people six thousand miles away.

<sup>1</sup> Amongst those present (at a meeting in Johannesburg of the Responsible Government Association) were . . . the anti-Chinese section of the party. . . . On behalf of this section, whom a certain number of politicians and newspapers at home have endeavoured to magnify into a majority of the Transvaal population, Mr. Quinn renounced for the future all opposition to Chinese labour. He stated that he made no apology for their attitude in the past, for he and those with him acted from honest convictions. The situation, however, had now changed. 'The position is this—the Ordinance is passed, the Chinese are here, and the people seem contented. The question therefore is finished.' — *The Times*, Jan. 16, 1905.

Reviewing the events which have taken place since the passing of the Transvaal resolution by the Dominion Parliament in the summer of 1899, Canadians after all have no reason to think that their country has failed to keep her accustomed lead in the steady movement towards imperial co-operation. On the contrary, in the end as at the beginning, Canada figures as the resolute guardian, when others were tempted to turn aside, of that mutual independence which is the only sure foundation of imperial union. Pre-eminent amongst nationalist statesmen stands Sir Wilfrid Laurier—the disciple of the elder English Liberals<sup>1</sup>—successfully applying to the constructive problem of the Empire the fearless and progressive spirit of a political tradition which, in latter-day England, has sunk into a synonym for imperial relapse.

<sup>1</sup> "I have always proclaimed, and again I repeat, that in politics we belong to the British Liberal school, to the school of Fox and Gladstone." —Willison's *Sir Wilfrid Laurier and the Liberal Party*, vol. ii. p. 367.

It is interesting to notice the divergent development of Liberalism, always claiming the same British origin, in England and beyond the seas. Thus in Canada, Sir Wilfrid Laurier's Government has been the first in the world to devise a special, "anti-dumping" tariff measure (cf. note to p. 238). In Australia the Liberals are the high protectionists, the free-traders or "revenue-tariffists" being known as Conservatives. Further, the Australian Liberals are essentially the champions of "State interference" and nationalization; their political creed being the absolute negation of the old, individualist Liberalism, surviving in the crude rant about "liberty" which sometimes is the stock-in-trade of superficial Liberal politicians in England. A vital question for the rising generation of English Liberals is whether the development of the common tradition beyond the seas is not more in accordance with its real spirit than its present development in England; where now in some respects "Liberalism" is indistinguishable from the Tory habit of mind.

## CHAPTER VII

### THE COLONIAL CONFERENCE, 1902

#### (1.) THE CONFERENCE

"I CANNOT conceal from myself that very great anticipations have been formed as to the results which may accrue from our meeting." Thus Mr. Chamberlain, opening the Colonial Conference, alluded to the unusual excitement prevailing among English imperialists in the summer of 1902. The circumstances of the Coronation are still fresh in our memories: how the sentiment of the war, barely concluded before the ceremony, then was dominating the popular mind; and how in that sentiment appreciation of colonial assistance was occupying the largest place. At the moment it was being taken for granted that the part recently played by the colonies had given the final answer to the doctrines and the prophecies of the Manchester school. The funeral of the Little Englander became the jubilee of the imperial federalists. To the latter, after twenty years of discouragement, success at length seemed imminent. During the war the press throughout the Empire, beyond the seas no less than in England, had dwelt constantly and effusively upon the outburst of fervent "loyalty" which had overwhelmed the colonial peoples. It remained but to gather the long-expected fruit; to turn the sudden flood of "loyalty" into the permanent reservoir long since planned by the engineers of the Imperial Federation League. In truth, "very great anticipations" had been formed of what the approaching Conference might achieve.

The Blue Book (Cd. 1299), which was published a year after the Conference, so far contains the only authentic

account of the proceedings, and leaves much to be desired. To ensure freedom of discussion a pledge necessarily was given that nothing should be made public without the consent of all concerned. When, nine months later (May 1903), the Colonial Secretary opened the fiscal controversy by declaring his belief that preferential trade was essential to the permanence of the Empire, a demand naturally arose for a full report of the Conference, which presumably had revealed to Mr. Chamberlain some unexpected flaws in our imperial system. He, for his part, was willing enough, but the premiers of Canada and Australia withheld their consent. Hence the published report gives no detailed account of the attitude adopted by the two chief exponents of colonial national aspirations. In demurring to publicity they may have wished to avert the agitation of the colonialist sections in their respective countries. Or they may have felt that the English public, in the mood then prevailing, could not be expected to hear, without misunderstanding or impatience, views on the imperial question which would seem to clash with its high-flown expectations. However that may be, those who wish to appreciate the significance of this Conference must read between the lines to understand the position of the two colonial statesmen who chiefly were responsible for the apparent barrenness of its results.

Another shortcoming of the Report is the brevity of the references to preliminary negotiations. Mr. Chamberlain was not the statesman to convene a conference of this kind without preparing for the dispatch of business by ascertaining beforehand what general attitude the colonial premiers severally would adopt towards certain proposals which, doubtless, he had sketched in outline. As it is, we have to infer the drift of these preliminary negotiations from the proceedings as reported; including, especially, the statements handed in by the Admiralty and the War Office, which read like the defence of official imperialism against the unrecorded protests of colonial nationalism.

In spite of these shortcomings, the Report forms an instructive sequel to the story of the colonial contingents, and furnishes an invaluable corrective to the popular de-

ductions so hastily drawn from that unique experience. In the war the colonies figured in the eyes of the mother country as a harmonious whole. From each quarter the cables flashed the same message of whole-hearted "loyalty"; from all alike contingent followed contingent. Yet, even then, those who could look beneath the surface knew that this superficial solidarity concealed the widening gulf between loyalty and patriotism, which the meagre outcome of the Conference presently revealed to all the world.

For at this Conference the nationalist leaders, knowing how the war had stimulated colonial patriotism, at length felt strong enough to make a firm stand against the repressive tendencies of that official imperialism which the loyalty of the younger colonies seemed ready to encourage and support. So, for the first time, a division appears in the ranks of the self-governing colonies. The nations are ranged against the colonies; the forces of patriotism against the forces of loyalty; and the mother country, at length realizing that the difference is vital, is being called upon to determine which side it is her best interest to support.

The Report begins by mentioning a telegram from the Colonial Secretary, dated January 23, 1902, in which he intimated the desire of the imperial Government to take advantage of the gathering at the Coronation to discuss the political and commercial relations of the Empire, and its naval and military defence. He invited the Governments of the colonies to suggest further subjects of discussion, and to furnish the text of any resolutions which they might desire to submit to the Conference. This invitation occasioned the first evidence of the split between the nationalists and the loyalists. The subjects proposed by the Colonial Secretary, including especially imperial defence, were of the very first importance to the question of closer relations. Accordingly, it is significant, at the outset, that it was left to the colonialist section of the self-governing colonies, represented by New Zealand, to offer resolutions on these subjects in conformity with the official expectations. From the nationalist side, occupied by Canada and Australia, no such resolutions were sent in advance. It is clear that the

nationalists felt the English standpoint to be so widely separated from their own that it was impossible for them to outline or discuss a policy until a better understanding of first principles had been reached. Accordingly, while the Government of New Zealand offered various resolutions upon the subjects proposed, Australia contented herself with submitting certain minor matters for discussion; while Canada, the leading representative of nationalism, offered neither resolutions nor additional topics.

Having taken us thus far, the Report jumps to the Conference itself, without reference to those informal exchanges of opinion which may be conjectured to have taken place in the meantime. The Colonial Secretary, in his capacity as chairman, opened the proceedings with a speech in which he welcomed the colonial premiers as "the representatives of the great nations across the seas," and outlined the business before the meeting.

"I say the paramount object is to strengthen the bonds which unite us, and there are only three principal avenues by which we can approach this object. They are through our political relations, in the first place; secondly, by some kind of commercial union; in the third place, by considering the questions which arise out of imperial defence. These three great questions were considered at the last Conference, and I think it is clear that they must form the principal subject of our deliberations on this occasion, and, indeed, of those of any future Conferences which may afterwards be held."

Passing on to review these objects separately, he pointed out that the problem of political relations had been simplified since the last Conference by the federation of the Australian colonies; and that a similar federation in South Africa was "almost within sight." In his own opinion, the political federation of the Empire was "within the limits of possibility." Similar obstacles, especially variety of interest and geographical distance, has been surmounted in the cases of the United States and of Canada. The late war had "brought home to all of us the essential unity of sentiment which unites us." At the same time, he felt that "it would be a fatal mistake to transform the spontaneous enthusiasm

which has been so readily shown throughout the Empire into anything in the nature of an obligation which might be at this time unwillingly assumed or only formally accepted." Accordingly, the demand for closer union must come from the colonial side. "If it comes it will be enthusiastically received in this country." To Sir Wilfrid Laurier's famous challenge, "If you want our aid, call us to your councils,"<sup>1</sup> the Colonial Secretary made an emphatic response.

"Gentlemen, we do want your aid. We do want your assistance in the administration of the vast Empire which is yours as well as ours. The weary Titan staggers under the too vast orb of his fate. We have borne the burden for many years. We think it time that our children should assist us to support it, and whenever you make the request to us, be very sure that we shall hasten gladly to call you to our councils. If you are prepared at any time to take any share, any proportionate share, in the burdens of the Empire, we are prepared to meet you with any proposal for giving to you a corresponding voice in the policy of the Empire."

As to the method, there was "no objection in principle" to colonial representation in either or both Houses of Parliament. But for his own part he preferred the idea of a "real Council of the Empire, to which all questions of imperial interest might be referred." To proceed gradually, this Council might at first be merely advisory; but it was "clear

<sup>1</sup> Taken out of its context, this quotation seems to indicate a wish to be called to the councils of the Empire. But the speech in which it occurs does not justify that interpretation. Sir Wilfrid Laurier was defending the policy of the contingents against Mr. Bourassa's criticism, that it had committed Canada to indefinite imperial obligations.

"But I have no hesitation in saying to my honourable friend that if, as a consequence of our action to-day, the doctrine were to be admitted that Canada should take part in all the wars of Great Britain, and contribute to the military expenditure of the Empire, I agree with him that we should revise the condition of things existing between us and Great Britain. . . . Under that condition of things, which does not exist, we should have the right to say to Great Britain, 'If you want us to help you, call us to your councils; if you want us to take part in wars, let us share not only the burdens but the responsibilities and duties as well.' But there is no occasion to examine this contingency to-day."—Speech in the Dominion House of Commons, March 13, 1900.

that the object would not be completely secured until there had been conferred upon such a Council executive functions, and perhaps also legislative powers." The two main subjects with which such a Council would deal were imperial defence and commercial relations; to which he now invited "the special attention" of the Conference.

Referring to imperial defence, he laid before them a paper showing that the normal naval and military estimates amounted to 29s. 3d. per head in the United Kingdom; only 2s. in Canada; in New Zealand, 3s. 4d.; in Cape Colony and Natal, between 2s. and 3s. The figure for Australia (according to Sir John Forrest) was about 4s. He argued that, while this unequal distribution was excusable during the infancy of the colonies, those days were past; and that now it was "inconsistent with their dignity as nations." He did not expect that this disproportion would be corrected off-hand, but he hoped that "something will be done"; and proposed calling in the representatives of the Admiralty and the War Office to explain the official views at a subsequent meeting.

Turning to commercial relations, he argued that the resources of the Empire, which were sufficient even to make it self-supporting, made it possible to develop an "inter-imperial" trade, to displace much of the present foreign trade. "Our first object is free trade within the Empire." But such free trade did not imply the surrender by the colonies of indirect taxation. "In my mind, whenever Customs duties are balanced by Excise duties, or whenever they are levied on articles which are not produced at home, the enforcement of such duties is no derogation whatever from the principles of Free Trade as I understand it." From such imperial free trade great results would follow. He was confident "that it would hasten the development of our colonies; that it would fill up the spare places in your lands with an active, intelligent, industrious, and, above all, a British population; that it would make the mother country entirely independent of foreign food and raw material."

He had to recognize, however, that no such proposal had come from the colonies. But the latter had declared them-



selves willing to entertain the idea of giving a tariff preference to British manufactures, without demanding reciprocity. At the Conference of 1897 the colonial premiers had undertaken to work in this direction. But "nothing whatever had come of that resolution." Prior to 1897 the Dominion Government actually had adopted the principle of granting a British preference without reciprocity. But so far this preference had not produced adequate results. The most it had done was to arrest the positive decline of British imports into Canada. The trouble was that the preference had not really weakened protection.

"So long as a preferential tariff, even a munificent preference, is still sufficiently protective to exclude us altogether, or nearly so, from your markets, it is no satisfaction to us that you have imposed even greater disability upon the same goods if they come from foreign markets, especially if the articles in which the foreigners are interested come in under more favourable conditions."<sup>1</sup>

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<sup>1</sup> The Canadian representatives rebutted this argument in an exhaustive "Memorandum respecting the Operation of the Preferential Tariff," which appears in the Report. (App. IX.) They pointed out that while British dutiable imports increased by 56 per cent. from 1897 to 1901, the increase in similar imports from all countries, excepting the United States, was at the rate of only 32 per cent. They stated that in the United States manufacturers had met the preference by reducing their selling prices. They claimed, with justice, that the figures in the Memorandum substantiated the following propositions:—

1. That the preference is a very substantial and genuine one.
2. That it gives British merchants a material advantage over foreign competitors in the Canadian market.
3. That the preferential rates are not too high to shut out reasonable competition with the Canadian producer.
4. That the preference has resulted not only in arresting the continuous decline in British trade, but in stimulating that trade. If it had not been granted, it is not very likely that the volume of British imports into Canada would be as large as it is to-day, to say the least.
5. That the advantage given by Canada to the British manufacturer is proved beyond all question. If he has not fully availed himself of it, that is not the fault of the Canadian Government, or of Canadian fiscal policy.

It is instructive to notice that the official Canadian view is more than accepted in the United States. The "campaign text-book" of the Democratic party, compiled for the recent presidential election (November

In conclusion, he appealed to the colonies to consider the advantages which they gained as members of the British Empire.

"I want you to consider for a moment what is the present position of the smaller nations with whom in population you may more closely compare yourselves. What is the position of such nations as . . . Holland or the South American Republic? Why, gentlemen, they are absolutely independent nations, accordingly they have to bear the burdens for their military or naval defences, or for both, as the case may be, to which yours bear no proportion whatever. . . . But the privileges which you enjoy involve corresponding obligations. The responsibilities must be reciprocal, and must be shared in common, and I do not think that any empire may be said to be on a sure foundation which is not based upon recognised community of sacrifices."

It was decided that naval defence should be the first subject of discussion, doubtless having regard to the extreme importance attached to that question by the imperial authorities. The only resolution before the Conference was that submitted by Mr. Seddon, proposing merely a strengthening of the Australian Auxiliary Squadron, for which the Commonwealth and New Zealand were to pay a proportionately increased subsidy, on the old basis, involving no change of principle in any respect.

1904), deals exhaustively with the question of the Canadian tariff, advocating reciprocity with the Dominion as the right policy for the United States. Figures are given showing that British imports into Canada decreased steadily from \$68,522,776 in 1873 to \$29,412,188 in 1897: whereas after the concession of 25 per cent. preference they at once began to rise steadily, reaching \$61,770,379 in 1904. "From a decrease of 60 per cent. from 1873 to 1897, the preferential tariff has aided British merchants and manufacturers to sell more than 100 per cent. more goods in Canada in 1904 than they sold in 1897. In the three years ending in 1903 the sum of \$8,464,596 in duties has been saved to British sellers by the operation of the preference. . . . Increases like this were made, of course, at the expense chiefly of the United States: especially since Canada has imposed a surtax of 33½ per cent. upon imports from Germany (1903), in retaliation for the refusal of Germany to continue the admission of Canadian products at 'conventional' rates of duty." There follows a description of "the Chamberlain Program," which is summed up as "a legitimate and business-like warfare."

The views of the Admiralty upon the general question were set forth in a "Memorandum on Sea-Power," written to combat the idea that the naval defence of the Empire can be treated in any way as a merely local interest. Accordingly the term "defence," with its local association, is tabooed, on the ground that naval defence consists entirely in taking the offensive, so as to destroy the enemy's ships wherever they may be. This function necessitates "a single navy under one control." The interest of the various colonies in imperial naval defence, as a whole, was demonstrated by a detailed reference to the value of their sea-borne trade, and the special ocean routes which it follows. The figures showed that the total trade of the United Kingdom and of the self-governing colonies, with each other and with foreign countries, amounted to about twelve millions sterling. Of this about three millions, or one-fourth, was accounted for by the trade of the self-governing colonies with each other and with foreign countries, of which the United Kingdom paid most of the bill for naval defence, even over inter-colonial trade routes. The total naval expenditure per head was given as follows:—United Kingdom, 15s. 1d.; Australia, 10½d.; New Zealand, 6½d.; Canada, nil; Newfoundland, nil; Cape Colony, 1s. 1½d.; Natal, 4s. 5½d. The last item represents a subsidy paid unconditionally by Natal in lieu of the coal promised in 1897.

To emphasize the official views, Lord Selborne attended personally and addressed the Conference. He again laid the utmost stress upon the futility of localizing the naval problem, and the necessity of a single naval authority. He next criticized the existing Australian Agreement, admitting that its weakness lay in the nakedness of the cash nexus. For it established only the relation "of the man who pays to the man who supplies"; and did not tend to give Australians and New Zealanders "the sense of personal interest, of personal possession," in the British Navy. He wished to see in the navy more colonial officers and seamen, in order "to increase the maritime spirit of the Empire," which might be lost in the interior of the Canadian and Australian continents.

"But it cannot be done, I opine, so long as we are only receivers of money. I want to see from all parts of the Empire a personal contribution to the navy, so that it may not only be an abstract Admiralty to govern the navy, but an Admiralty that has won the confidence of the colonies, because the colonies understand its policy, and because in each colony there are officers and men belonging to the navy—an integral portion of the navy."

To effect the desired change he suggested that in re-organizing the Australian squadron "at least one, if not two, cruisers should be manned exclusively by Australasians under the command of imperial officers," and that these ships should be interchanged occasionally with ships of other squadrons. Also, he desired to establish colonial branches of the Royal Naval Reserve. But above all, any Australian squadron must not be confined, as hitherto, within prescribed waters, but must be free to seek the enemy in any part of the eastern seas. He submitted that the principles of the Australian scheme held good for the development of naval strength in any of the self-governing colonies.

The discussion which followed revealed differences of opinion, showing that it would be useless to frame a general resolution. Instead, the colonial premiers individually visited the Admiralty to explain their several views. As a result, Lord Selborne was able to announce that he had received the following "offers of assistance towards the naval expenses of the Empire."

Cape Colony, £50,000 per annum to the general maintenance of the navy. No conditions.

Commonwealth of Australia, £200,000 per annum to an improved Australasian Squadron, and the establishment of a branch of the Royal Naval Reserve.

Natal, £35,000 per annum to the general maintenance of the navy. No conditions.

Newfoundland, £3000 per annum (and £1800 as a special contribution to the fitting and preparation of a drill ship) towards the maintenance of a branch of the Royal Naval Reserve of not less than 600 men.

New Zealand, £40,000 per annum to an improved

Australasian Squadron, and the establishment of a branch of the Royal Naval Reserve.

Commenting upon these offers, he pointed out that Cape Colony and Natal had "made their offer unfettered by any conditions, a mark of confidence and of appreciation of the naval problem of which the Board of Admiralty are deeply sensible." Also, he drew attention to the terms of the Australian Agreement.<sup>1</sup> As for Canada, Sir Wilfrid Laurier had informed him that the Dominion Government were "contemplating the establishment of a local naval force in

<sup>1</sup> The preamble and the following articles are noteworthy :—

*Preamble.*—The Commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, etc., and the Governments of the Commonwealth of Australia and of New Zealand, having recognised the importance of sea power in the control which it gives over sea communications, *the necessity of a single navy under one authority*, by which alone concerted action can be assured, and the advantages which will be derived from developing the sea power of Australia and New Zealand, have resolved to conclude for this purpose an Agreement.

*Article 2.*

The base of this force shall be the ports of Australia and New Zealand, and their sphere of operations shall be the waters of the Australia, China, and East Indies Stations, as defined in the attached schedules, where the Admiralty believe they can most effectively act against hostile vessels which threaten the trade or interests of Australia and New Zealand. . . .

*Article 3.*

This force shall be under the control and orders of the Naval Commander-in-Chief for the time being appointed to command His Majesty's ships and vessels on the Australian Station.

*Article 4.*

Of the ships referred to in Article 1, one shall be kept in reserve and shall be only partly manned, and shall be used as Drill Ship for training the Royal Naval Reserve; the remainder shall be kept in commission fully manned.

*Article 5.*

The three vessels used as Drill Ships and one other vessel shall be manned by Australians and New Zealanders, as far as procurable, paid at special rates, and enrolled in proportion to the relative population of the Commonwealth and New Zealand. If a sufficient proportion of men from either colony should not on the aforesaid basis be forthcoming, a sufficient number of men to complete the complements of the ships may

the waters of Canada, but that they were not able to make any offer of assistance analogous to those enumerated above."

The net result was not to reduce greatly the disproportion of the burden left upon the shoulders of the mother country, the amended figures being as follow:—United Kingdom, 15s. 2d. per head; Cape Colony, 1s. 10½d.; Natal, 10s. 9½d.; Australia, 1s. 0¾d.; New Zealand, 1s. 0¼d.; Newfoundland, 3½d.; and Canada, nil.

By way, it seems, of apologising for the meagreness of the above results, Lord Selborne recapitulated the arguments with which he had endeavoured to impress his colonial visitors. He had urged again the unjust incidence of naval taxation as compared with the distribution of the commerce protected, and again had contrasted the expenditure upon naval defence borne by (*e.g.*) Holland and Japan with that of the self-governing colonies. The great danger which he feared was "that Canada, South Africa, and Australia, being in fact

be enrolled from the other colony. They shall be officered by officers of the Royal Navy, supplemented by officers of the Royal Naval Reserve.

#### Article 6.

In order to ensure that the Naval Service shall include officers born in Australia and New Zealand, who will be able to rise to the highest posts in the Royal Navy, the under-mentioned nominations for Naval Cadetships will be given annually:—

Commonwealth of Australia . . . . .	8
New Zealand . . . . .	2

#### Article 7.

The branches of the Royal Naval Reserve established in Australia and New Zealand shall be called into actual service by His Majesty in Council, acting on the advice of his Governments of the Commonwealth of Australia and New Zealand respectively. . . .

#### Article 8.

In consideration of the service aforementioned, the Commonwealth of Australia and New Zealand shall pay the Imperial Government five-twelfths and one-twelfth respectively of the total annual cost of maintaining the naval force on the Australian Station, provided that the total amount so paid shall in no case exceed £200,000 and £40,000 respectively in any one year. In reckoning the total annual cost, a sum equal to 5 per cent. on the prime cost of the ships of which the naval force of the station is composed shall be included.

continents, should become too much continental and too little maritime in their aspirations and ideas." Hence his supreme object was to "cultivate the maritime spirit," from which the rest would follow.

The question of military defence came up next for discussion. On this subject also there was a motion before the Conference in the name of Mr. Seddon, who already, in 1900, had persuaded the New Zealand Parliament to pass an Act providing for the establishment of an Imperial Reserve on the lines now indicated in the following resolution:—

"That it is desirable to have an Imperial Reserve Force formed in each of His Majesty's Dominions over the seas, for service in case of emergency outside the Dominion or Colony in which such Reserve is formed. The limits within which such reserve force may be employed outside the Colony wherein it is raised to be defined by the Imperial and Colonial Governments at the time such reserve is formed, and to be in accordance with any law in force for the time being respecting the same. The cost of maintaining and equipping such Imperial Reserve Force to be defrayed in such proportion and manner as may be agreed upon between the Imperial and Colonial Governments."

Following the example of the Admiralty, the Secretary of State for War attended the Conference to explain the views of his department. While approving Mr. Seddon's motion, he declared that the policy of the War Office was not a novelty due to the impetus of the war, but that "our whole progress in this country for the last twenty years has been to some such end as that which we are now asking you to put your seal upon." He described the steady revival of national interest in imperial defence, and gave figures showing the strength of the regular forces, including "a home field army of 120,000 men," and "somewhere between 100,000 and 200,000 employed in various positions for the defence of London and for strategic positions which might be threatened in case of invasion," forces not too large "in view of the possibility of our at any time losing the command of the sea." Although England maintained a large force for service abroad, "circumstances may occur in which it is most desirable that we should have a call on further troops." For

example, if the Japanese alliance involved us in a war with Russia, it would be a great advantage in point of time if we could count upon obtaining aid "from those colonies which are nearest and most conveniently situated for supporting us in China." As to the nature of the colonial contingent, size mattered far less than quality. The force must be capable of being pitted against European troops, which implied more thorough training than colonial forces then were receiving. The necessity of this training had been illustrated by the Boers, who, not being an organized army, had failed to press home their initial advantages in the war, or to use their opportunities of breaking through our extended lines. As to the colonial contingents sent to South Africa, equally with our own "hastily levied" reinforcements, "there was a considerable number of those troops which no general would have had a right to pit against European troops without further training." Therefore it was desirable that, supposing in any future emergency the colonies wished to support the mother country, "they should be in a position to do so with a body of troops, however moderate in number, which could be put in line with our own regular troops against a European power." Seeing how large the English contingent would be, even in a war of primarily colonial interest, he urged this request "on the ground of reciprocity," not as "a donative on the part of the colonies out of loyalty." To justify the contention that the colonial forces at present were not fit to be "put in line with our own regular troops against a European power," he quoted the damaging reports lately presented to the Governments of Canada and Australia by their own officers. Also, he thought it "a little unfortunate" that Canada now should have adopted a different rifle, though carrying the British cartridge.

Out of the large colonial aggregate of partially trained men he now suggested that about one in four should be specially trained, "with a liability to oversea service, that they should realise that they are a part of the Army Reserve of the Imperial Force, that their services are absolutely pledged in the event of the Government to which they belong, proffering assistance to the Imperial Forces in the emergency." Until this principle was accepted it would be



premature to discuss details, such as "whether there should be any attachment to regiments at home." As to the money question, the expense would not be formidable. At £9 per head a force of 20,000 men (taking the colonies as a whole) would cost only £180,000 per annum, or one-fiftieth of the sum (£9,000,000) which the mother country had been forced, by the necessities of the Empire, to add to her peace estimates within two years. Yet the imperial Government possibly might contribute to the cost of the colonial reserves, as Mr. Seddon proposed, if it had a definite call on these troops. But if any colony insisted upon keeping its right to proffer its contingent at any moment, the Imperial Government could not be expected to help maintain troops which, after all, might not be available when wanted.

In conclusion, he declared that the enormous expenditure of the mother country was not due to militarism. Its object was to enable the Empire to strike quickly when required. "That is the object of the whole of our present organization at the War Office, which has advanced most rapidly within the last two or three years."

The effect of Mr. Brodrick's proposals was at once to range the nationalists against the colonialists. The account given in the report hardly admits of abbreviation:—

"The discussion revealed considerable difference of opinion amongst the members. While the representatives of Cape Colony and Natal were disposed to fall in with the policy suggested by Mr. Seddon and the Secretary of State for War—of having a special body of troops ear-marked for Imperial service—the representatives of Canada and Australia were of opinion that the best course to pursue was to endeavour to raise the standard of training for the general body of their forces, to organise the departmental services and equipment required for the mobilisation of a field force, leaving it to the Colony, when the need arose, to determine how and to what extent it should render assistance. The Imperial sentiment in the Colonies was steadily growing, and their action in the late war left no room for doubt that such assistance would be given readily and effectively and to the utmost of their ability in any future emergency.

"To establish a special force, set apart for general Imperial

service, and practically under the absolute control of the Imperial Government, was objectionable in principle, as derogating from the powers of self-government enjoyed by them, and would be calculated to impede the general improvement in training and organisation of their defence forces, and, consequently, their ability to render effective help if it should be required. In the result it was decided that, if His Majesty's Government on consideration should think it desirable to take action on the suggestion of the Secretary of State for War in the case of those Colonies which were disposed to fall in with it, it would be best to do so through the usual channel of official correspondence."

The Conference also discussed the question of commissions in the army, and passed the following resolution unanimously:—

"That the Prime Ministers of the self-governing Colonies suggest that the question of the allotment of the naval and military cadets to the Dominions beyond the seas be taken into consideration by the naval and military authorities, with a view to increasing the number of commissions to be offered; that, consistent with ensuring suitable candidates, as far as practicable, greater facilities than now obtained should be given to enable young colonists to enter the Navy and the Army."

On one matter, at any rate, the champions of national rights could fall into line without apprehension of colonialist criticism. A unanimous resolution was passed to the effect that in the placing of government contracts, whether imperial or colonial, the products of the Empire should be preferred where practicable.

As regards political relations, we are not told that the suggestion of an imperial council, or of parliamentary representation, was ever mentioned again after Mr. Chamberlain's introductory speech. At any rate, the Conference contented itself with resolving that it was desirable that similar conferences should be held at intervals not exceeding four years.

The question of commercial relations, though occupying a large space in the Report, need not detain us here, except in so far as the claims of nationalism affected the proceedings. The Report alludes again to the official English declaration of 1897 in favour of a Zollverein, which "would change the

various parts (of the Empire) from a series of commercial units to an organic whole"; and "would lead inevitably to the closer political union which is so generally desired." We are told, not that the premiers wasted any time in academic discussion of the federalist dream, but that they did evince a strong desire to establish some form of closer commercial relations. When it became apparent that "no arrangement applicable to all could be devised," the premiers individually interviewed the President of the Board of Trade, who subsequently announced that the representatives of Canada and New Zealand were in favour of preference on the lines of the Dominion policy; that those of Cape Colony and Natal were willing to raise the duty on certain competing foreign imports by 25 per cent.; while Sir Edmund Barton had not defined the nature or extent of the preference which he approved in principle.<sup>1</sup> The premiers were prepared to recommend measures on these lines to their respective Parliaments, without bargaining for formal reciprocity in our markets. But the principle of reciprocal preference was included in the general resolution,<sup>2</sup> which embodied the recommendations of

<sup>1</sup> New Zealand and the South African colonies have made the proposed concessions. On the other hand, Australia and Canada still maintain the *status quo*.

<sup>2</sup> The text of the resolution was as follows:—

(1) That this Conference recognizes that the principle of preferential trade between the United Kingdom and His Majesty's Dominions beyond the seas would stimulate and facilitate mutual commercial intercourse, and would, by promoting the development of the resources and industries of the several parts, strengthen the Empire.

(2) That this Conference recognizes that, in the present circumstances of the Colonies, it is not practicable to adopt a general system of Free Trade as between the Mother Country and the British Dominions beyond the seas.

(3) That with a view, however, to promoting the increase of trade within the Empire, it is desirable that those Colonies which have not already adopted such a policy should, as far as their circumstances permit, give substantial preferential treatment to the products and manufactures of the United Kingdom.

(4) That the Prime Ministers of the Colonies respectfully urge on His Majesty's Government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the Colonies either by exemption from or reduction of duties now or hereafter imposed.

the Conference. This resolution, *inter alia*, urged upon the British Government the expediency of granting preferential treatment to the "products and manufactures of the colonies, either by exemption from or reduction of duties now or hereafter imposed." To emphasize the same point, the Canadian Ministers handed in a Memorandum, which already possesses a certain historical interest, as elucidating a much debated question. They there stated that "if they could be assured that the Imperial Government would accept the principle of preferential trade generally, and *particularly grant to the food products of Canada in the United Kingdom exemption from duties now levied, or hereafter imposed*, they, the Canadian Ministers, would be prepared to go further into the subject, and endeavour to give to the British manufacturer some increased advantage over his foreign competitors in the markets of Canada."<sup>1</sup> In other words, the British Government merely had to maintain the shilling duty on corn, with remission to colonial produce, in order to establish the preferential system in connection with Canada and to obtain an increase of the preference for British imports. Those British Ministers whose refusal to maintain the shilling duty on such terms provoked the fiscal controversy thus became responsible for the larger subsequent movement in which the policy of protecting manufactures has been tacked on to the policy of placing revenue duties on foreign foodstuffs.

A few minor matters also came up for discussion. Resolutions were passed affecting coasting trade, mail subsidies, patents, and the purchase of ocean cables; but none of these have the immediate interest possessed by the larger subjects.

<sup>1</sup> Report, p. 37. Cf. the following: "My vindication of the preference policy was given not at Ottawa or on Canadian soil, but in the heart of the Empire at London, at the Colonial Conference, when I declared to the Empire that I and my colleagues of the Government were ready to make a trade treaty. We said, 'We are ready to discuss with you articles on which we can give you a preference, and articles on which you can give us a preference. We are ready to make with you a treaty of trade.' Mark those words coming from a colony to the mother country without offence being given or taken."—Sir Wilfrid Laurier at Sorel, Sept. 28, 1904.

## CHAPTER VIII

### THE COLONIAL CONFERENCE, 1902

#### (II.) AFTER THE CONFERENCE

ALTHOUGH the feeble result of the Conference came as a rude shock to official imperialism, in one respect it exceeded the anticipations of some who knew what the war had done for colonial national sentiment. To them it would have been no surprise if Sir Edmund Barton had ranged himself decisively beside Sir Wilfrid Laurier, to repudiate the whole principle of cash subsidies to the British navy. For, even before the war, Australian national sentiment had been worked up by the federalist orators to a pitch where the conditions of the existing naval agreement began to be felt as undignified and repressive of national growth. For years past Australians had watched the subsidized British ships come and go, with their British crews, and during that time their native country had made no progress whatever in the noble art of self-defence by sea, for all the odd million and a half spent on naval hire. Surely, they argued, Australian money were better spent in training Australians to defend themselves.

The vague dissatisfaction found concrete expression in connection with a proposal (1899) to form a Naval Reserve in Australia. Official imperialism had its colonialist scheme all prepared. Terms of service and rates of pay, framed to meet the conditions of the mother country, were to be transferred to Australia. The imperial Government would be paymaster, and have entire control, Australia being granted the inspiring privilege of providing drill sheds. It was obvious that no Reserve could be formed on these lines.

The pay was far below the local standard; the scheme of training was incompatible with local industrial conditions; and finally, Australia, in the flush of her new national consciousness, was in no mood to forego the control of her own naval forces. Accordingly, the several colonies appointed a committee of naval officers, enjoying the advantage of real acquaintance with all the facts, to devise an alternative plan. The essence of their recommendation was that the subsidy vote should be diverted to the training and maintenance of an Australian naval force, of about 3000 men, paid and controlled entirely by the federal Government. This force was to be available in time of war, partly as a reserve for any British fleet, partly to man five effective cruisers lent by the imperial authorities. The cruisers were to supply training facilities in time of peace; and in war were to remain at the disposal of the Commonwealth, for the protection (from raiding warships) of those intercolonial and coastal trade-routes on account of which the existing squadron had been confined, by the Agreement of 1887, to Australian waters. The Australian committee argued that this scheme, by fostering the maritime instinct and training the maritime faculties of young Australians under their own Government, would be less degrading to Australia, and more effective in strengthening the naval resources of the Empire, than the existing system of hiring defence from England. So far from suggesting that their scheme would represent the final contribution of Australia to imperial naval defence, they advocated it not only as securing better value for the money then available, but as offering larger opportunities for future expansion along national lines, in the direction of relieving the British taxpayer.

These recommendations were approved heartily by Australian public opinion, including even the colonialist press of the provincial capitals. But in England they evoked a furious storm of denunciation. The onset of official imperialism was led by *The Times* (Oct. 6, 1899), which condemned the scheme as "inadequate, inconsequent, and altogether inadmissible." Australians were informed summarily that the naval defence of their native land was not their business, but "essentially the business of the British Navy,"

and therefore must be under the "absolute control" of the British Admiralty. The Admiralty had conceded the utmost to Australian political opinion when it had consented, against the dictates of sound naval strategy, to restrict the operations of the subsidized squadron to Australian waters; and now could "go no further in that direction." Accordingly "a far more useful and practical form of colonial contribution towards imperial defence is that adopted by the Government of the Cape Colony—an annual grant towards the cost of the Imperial Navy, to be applied by the Admiralty without restrictions of any kind." On the other hand, the present "unfortunate and most mischievous proposals" might (horrible thought!) lead in time to "the establishment of semi-independent navies throughout the Empire." As for the proposed periodical inspection of the local squadron by the British Admiral, the latter could not report favourably without "virtually telling the Admiralty that the Federal Government knew much better how to organize naval defence than it does itself,"—a proposition apparently too outrageous for further elucidation. The gist of the matter was, according to *The Times*, that "naval defence, such as Australia needs, is not to be had upon these terms," which opens up a gloomy prospect for the Empire, seeing that the foremost colony bluntly declines to have anything to do with naval defence on the official system.

These strictures were endorsed warmly in a letter by the Secretary of the Imperial Federation (Defence) Committee, who urged the colonies to "pay their money towards the maintenance of the Royal Navy, and allow their local navies to come to an end." The desire of Australians to take "an active part in nautical life" was admitted to be "laudable," but "every opportunity for this is afforded by the Royal Navy in Australian waters," a remark betraying an utter lack of sympathy with local requirements or national instincts. When *The Times* returned to the charge in the following January, reiterating its strictures with increased violence, official imperialism found another champion in "Navalis," who seemed to echo the views of the Navy League. On the other hand, Lord Carrington, as Governor of New South

Wales in 1887, bore testimony to the strength even then of Australian sentiment; while Lord Brassey defended the Australian proposals with the authority, not only of a naval expert, but of a close acquaintance with the facts of the movement, in which, as Governor of Victoria, he himself had taken a friendly hand. Nevertheless, *The Times* seems to have expressed the views of the Admiralty with tolerable precision, for the question of Australian naval defence practically remained in abeyance until brought up again at the Conference of 1902.

When that occasion arrived the position was not promising for the national advancement of Australia. As a nationalist Sir Edmund Barton had shown more enthusiasm and greater success in the oratorical campaign which led up to federation than in the duller work of inaugurating departments and harmonizing conflicting interests which devolved upon the first premier of the new Commonwealth. In London he lacked the support of Mr. C. Kingston, the strongest statesman and nationalist of Australia, who, at the Conference of 1897, had stood out for national principles of naval reform, and now stayed behind to enhance his reputation by a fearless administration of the federal Customs. On the other hand, another colleague, whose office was more directly concerned with the objects of the Conference, happened to be a thorough colonialist. As premier of an isolated colony for many years, Sir John Forrest had acquired a deeper sympathy with the colonial loyalty which passed through himself to the source of imperial favour, than with the pan-Australian sentiment which tended to limit his local domination. He had been called of necessity to federal office, as a concession to the sentiment of Western Australia; and was directing the department of Defence with the self-willed obstinacy of the habitual autocrat. At the present juncture he embarrassed the national cause by presenting an official memorandum,<sup>1</sup> in which, rejecting an Australian policy,

<sup>1</sup> "I desire to say that the minute in no way represented the views of the Commonwealth Government, . . . never came up for discussion, and was therefore never adopted by the Cabinet. It represented my own views at the time."—Sir John Forrest, July 9, 1903. Hansard.



he declared for a naval programme after the heart of official imperialism. His proposals for a renewal of the subsidy merely followed the line of least resistance, and thus serve to exhibit in a stronger light the far-seeing wisdom which forbade the Canadian statesmen of 1887 to acquiesce in the fatal precedent. These proposals, moreover, coincided in principle with the views of Mr. Seddon, and thus attracted the favour of officialdom by offering a comprehensive arrangement to include both the Commonwealth and New Zealand. Finally, the cause of Australian self-respect could not escape the pressure, subtle but unmistakable, with which the mortgagee knows how to check the independence of his victim. A whisper from the City, and Australian patriots sorrowfully weigh the prospects of the imminent loan or the impending conversion against the behests of the national conscience.

Under these adverse circumstances Sir Edmund Barton persuaded himself that he had done the best for his country. Nevertheless, he did not return to Australia unconscious of the storm-clouds which, on the first rumours of the new naval proposals, had gathered over the political sky. Before the final conclusion of the Conference, Mr. Deakin, then acting premier, presumably not unaware of the situation in London, delivered a speech at Melbourne (Aug. 12, 1902), which seems to have been timed with the forlorn hope of strengthening the hands of his absent chief against the denationalizing schemes of official imperialism. Speaking of imperial defence, Mr. Deakin argued that the necessary unity of control was not incompatible with a decentralization which would develop local resources.

"The policy of centralisation restricted the colonies to contributions in coin, while the policy of decentralisation would substitute trained men and bases of supply in the place of subsidies. Australia strongly favoured the *decentralisation advocated by Sir Edmund Barton*, as contrasted with the centralisation sought by the proposals of Mr. Brodrick and the Admiralty, which in no way appealed to the patriotic sentiment and self-reliant spirit of Australians. No colonial force under War Office control could have furnished such effective soldiers for South Africa as the volunteer contingents had furnished."

—Reuter.

Landing once more on Australian shores, Sir Edmund Barton exerted all his ample gifts of eloquence on behalf of the naval agreement to which he had pledged his honour and sacrificed his past. He did not claim that it embodied an ideal policy, but sought to vindicate it by quoting the strategical commonplaces of the Admiralty, and by emphasizing the question of expense. His apology was received and pondered by the Australian people; with what result may be learnt from an article in the *Age* (Nov. 12, 1902), which provoked a fresh broadside from the batteries of *The Times*. The popular Melbourne newspaper, which had yielded to none in the loyalty represented by contingents, now declared that "the people of Australia undoubtedly entertain the utmost distrust of the new naval agreement." It protested against "the imperialistic and un-Australian character of the scheme," which would "merge the Australian Squadron absolutely in the British Navy," and "seek to impose upon the people of Australia taxation without representation." Alluding to the familiar strategical arguments, it pointed out that, while the imperial navy was the first line of defence, it did not provide the protection required by Australia against the raids of "roving marauders" upon coastwise commerce. It urged that for Australia to undertake the latter responsibility was a far more appropriate form of contribution than was suggested by the imperial plan "for roping in all the British colonies as contributors to the British Navy, regardless of their local defences." The article concluded with a warning against the "old cry of the British professional officer to disparage the volunteer," and an emphatic condemnation of a proposal which resembled a request to "open your purse and shut your eyes."

Faithful to the pledge extracted by the official imperialists, Sir Edmund Barton introduced a Bill (July 1903) to give effect to the new agreement.<sup>1</sup> Anticipating obvious criticism, he repudiated, as he was bound to do, the suggestion of "undue pressure." Contrasting the new agreement with its predecessor, he laid special emphasis on, firstly, the "sea-

<sup>1</sup> All the quotations following are from the Australian Hansard report of these debates.

going" feature, the zone of operations no longer being limited to Australasian waters; and secondly, the provisions for training Australian seamen. In support of the first he endorsed the familiar platitudes of the Admiralty, about offensive defence and unity of control; and dwelt at length upon the second, in hopes of conciliating nationalist sentiment. Three third-class cruisers, being "obsolescent" vessels already upon the station, were to be employed as training ships; two for Australia and one for New Zealand. In addition, a new third-class cruiser would be kept in commission, to carry an entirely Australasian crew, paid at special rates by the imperial Government. The permanent crews of these four vessels would amount to about nine hundred men. Nor was this the whole of the "Australian element." A branch of the Royal Naval Reserve was to be formed, comprising twenty-five officers and seven hundred seamen and stokers. As to the existing naval forces of the several States, it was "hoped that the bulk of them may be absorbed by the new arrangement." Thus naval training would be afforded to about sixteen hundred Australasians at the outset. The federal premier argued that by this means "those who join will also have an opportunity for equipping themselves for service in an Australian Navy, if such a navy should afterwards be constituted." His critics, however, reminded him that the Naval Reservists, drawn from the men who had completed their three or five years service afloat, would remain at the call of the imperial Government, instead of being available for the special service of the Commonwealth.

In further support of the agreement, Sir Edmund Barton contrasted the three possible alternatives, namely—(1) the abandonment of naval defence altogether; (2) the possibility of obtaining another and better agreement; (3) an Australian Navy. Dealing with the first, he entered a protest against colonialism, which recalls the patriotic spirit of his previous career. "I trust that we shall not be degraded by the argument that we need not discharge our duty because we shall derive exactly the same benefit if we ignore it." He quoted the trade statistics, pointing out that 40 per cent. of

the ocean trade did not concern the mother country at all. In reply to the argument that an annual subsidy produced no tangible national asset at the end of the term, he compared the principle of the agreement with that of insurance. Proceeding to the second and third alternatives, the Australian premier relapsed into colonialism. He dwelt upon the "exceedingly advantageous" character of the contract, whereby the Commonwealth obtained the "minimum adequate protection" for a subsidy amounting to only 1s. 0½d. per head of population. The old agreement, at the date of its inception, had involved 8d. per head, but the increase of population in ten years had reduced the tax to 6d. Likewise the cost of the new agreement would be reduced progressively by the further increase of population. At the same time, the volume of trade for which this insurance premium was payable had expanded in a much larger ratio, since 1887, than was represented by the increase of the subsidy.

Accordingly Sir Edmund Barton claimed credit, like a true colonialist, for having secured a great deal in return for very little—at the expense of the British taxpayer. Whereas the Admiralty had suggested a subsidy of £467,000 (including New Zealand), he had reduced the Australian amount to £200,000. He recapitulated the colonialist arguments which he confessed to having employed in England against the official proposal. He had, it appears, presented the orthodox picture of the poor, struggling Australian; who has to pay interest on state-owned railways, instead of paying a much larger amount in dividends to private proprietors, as the English do.

"The taxpayer who is relieved . . . of the burden which falls on the taxpayers in our struggling communities can more easily, perhaps, afford a large contribution to naval and military defence, . . . it becomes a question not of what we would like to do, but of what we can do. . . . Holding that opinion, I could not be of the opinion at the same time that we, who, while doing all these things, are absolutely throwing open the results of our efforts to the rest of the people of the Empire, at any rate the white people of the Empire, should be called upon to contribute at the same rate per head as the taxpayers of the United Kingdom. . . . We should very

soon come to the end of our tether if we recognised anything like a proportionate liability."

After reading the opinion of the Australian protectionist, one is prompted to ask what is the total of the English contribution to the Empire, reckoning up all those "efforts" of which we "open the results to the rest of the people of the Empire."

The third alternative, an Australian Navy, was the most popular with the nationalist critics of the agreement; so that in discussing it the Australian premier felt himself to be on dangerous ground. While asserting his full appreciation of the "local patriotism" which animated his opponents, he did not scruple to appeal to colonialist instinct; urging that the minimum local squadron would cost fully £500,000 per annum, including interest and sinking fund. In this connection he alluded to the financial provisions of the Commonwealth Constitution, hinting that the States might resent the appropriation of the full quarter of customs receipts which is assigned to the federal Exchequer. But he seems to have felt the humiliation of meeting national self-respect with objections of this character, and the expediency of finding higher grounds for the exclusion of an Australian Navy. Turning aside from the financial question, he endeavoured to persuade the Australian Parliament, as he had already persuaded himself, that the creation of a national squadron was incompatible with the principle of imperial co-operation. This argument involved him in the assumption that to maintain such a squadron was to "dispense with the assistance of the imperial navy," and to "accept the alternative that the Empire must operate by scattered units, losing the power of concentration." Under the obsession of official imperialism he seems to have abandoned the nationalist point of view, to which alone he owed his exalted office. He urged upon his fellow-Australians that "we must look at questions of Empire as citizens of the Empire rather than as citizens of Australia"; and actually asked them, "If an Englishman in England pays from 15s. to 17s. towards the maintenance of the navy, why should an Englishman in

Australia object to pay 1s.?" It was not by appealing to "Englishmen in Australia" that the founders of the Commonwealth won the suffrages of their countrymen.

The official doctrine of "one fleet under one control" invariably is vitiated by illogical concessions to common sense; and Sir Edmund Barton experienced no exception to the rule. Having explained that the principle of concentration, and not localization, was the sufficient and only protection for Australia against raiding cruisers, he presently declared that "it may be advisable to have torpedo boats or destroyers at each of the principal ports as a means of special harbour defence. That will not be done immediately, but, as I say, as opportunity and funds permit." Nor would he admit that the example of Canada afforded any reason for delaying to ratify the agreement. In his opinion, Canada had "abnegated" a right principle; and he believed that the Canadian people would condemn the action of their representatives. He pointed out that his own course was in harmony with that of four out of the five other self-governing colonies represented at the Conference. He concluded with a fitting peroration, in which, as if finally renouncing the nationalist creed, he quoted a passage from Ruskin, to the effect that England must found colonies and teach "her colonists that their first aim is to advance the power of England by land and sea." Official imperialism itself could not have dictated a more congenial sentence.

To support an un-Australian naval compact, even when proposed by his rival, was the fitting part of a politician to whom the national cause owed nothing of its hard-won success. In the federal campaign Mr. Reid had been a late convert to the national programme, only when that programme fairly stood to win. In the story of the federal Constitution Bill, the ex-premier of New South Wales always figures as the champion of provincial prejudice, setting the fancied grievances of his own colony above the future of the Australian people. Since the establishment of the Commonwealth he had kept his hold upon the democracy of New South Wales by pandering to its petty jealousy of Victoria; and upon the powerful importing interests of Sydney by

holding out hopes of an impossible free trade, which would condemn the Commonwealth, as it had condemned the colony, to perpetual insolvency. On the present occasion the leader of the federal Opposition was faithful to the tradition which has earned him the popular title of "Yes—No." For he announced his intention of supporting the Bill, while adducing the most cogent reasons for rejecting it. In particular, he explained with great lucidity the vital differences in principle between the new agreement and the old one, for which he himself had been partly responsible. He pointed out that in 1887 "the object of the naval agreement was defined to be 'the necessity of increasing the naval force for the protection of the floating trade in Australasian waters,'" at the joint charge of the imperial and colonial Governments. He stated that the Admiralty itself had "proposed that there should be a limit within which the first auxiliary squadron should work"; and that this principle of localization had not been called in question when, in 1897, "tentative proposals were made—obviously made—in the direction of altering the naval agreement and increasing the contribution of Australia." Another important feature of the 1887 Agreement was the condition "that, if the auxiliary squadron were established, there should be no diminution of the force of the imperial squadron in these seas. . . . So that we have clearly brought out the idea, first of an imperial squadron in the ordinary sense, such as they have on the China, or East Indian, or Northern Pacific stations, and then an Australian squadron." Thus the auxiliary squadron "was to be an additional defence—for the purpose of protecting the trade in Australian waters." In contradiction of these principles the new agreement abolished the Auxiliary Squadron, with its special function and limited zone; and made the Commonwealth contribute to the other, the uncontrolled imperial squadron. His view of the difference in political principle was that the old agreement "sets out a partnership in Australian defence, whereas the Bill under discussion sets out a partnership in imperial defence" marking a change from a national policy to an imperial-federalist policy. Nevertheless, Mr. Reid, while expressing

his abhorrence of that kind of imperialism, seems to have been conscious of the difficulty which he would create for himself if, by defeating the Bill, he should be called upon to frame an alternative scheme, and to reconcile the hopeless antagonism between his own colonialist record and the national feeling of the country. Therefore, although he "sympathised intensely with those who wish to see the beginnings of an Australian navy," he fell back upon the plea that "we cannot incur any very large expense just now." In a similar "yes—no" strain, he alludes to the local naval forces which, according to the premier, were to be absorbed and ended. "I have no hesitation in saying that if I thought this agreement was to be made use of to interfere in any sense with the vigorous development of our naval brigades, I should vote against it. I should think myself absolutely disloyal to this country if I did not do so; but I think it is possible to vote for this Bill and to pay this money." In fact, he was "profoundly impressed by a sense of great obligation to the mother country in the matter of defence." The summary of his characteristic position seems to be contained in the following sentences: "Whilst I intend to support the new agreement, I wish it to be distinctly understood that I altogether repudiate the attempt which is obviously being made to change the position and relationship of the Commonwealth to the imperial Government in matters of imperial policy."

The debate on the Bill was protracted, and in every respect remarkable. Compared with the debates of the colonial Parliaments on the introduction of the 1887 Agreement, or with their more recent debates upon the great question of the South African contingents, it testifies, by its lofty tone throughout, to an elevation of political character, distinguishing the Parliament of the Commonwealth from its provincial forerunners; and also, by its actual treatment of the subject, to the rapid development of an Australian patriotism.

Most striking of all is the attitude of the federal Labour party. So far from displaying the wretched colonialism characteristic of the provincial Labour politicians in the



federal campaign, and again in the debates upon the war, the spokesmen of the federal organization for the most part maintained the highest national standpoint. A Labour politician of the colonial régime would have objected to the proposed agreement; principally on the ground that the mere "colony" required no naval defence; or that it was being called upon to contribute more than its share; or that the British bondholder might be trusted to defend the country pawned to him; or by vague denunciations of "militarism." But on the present occasion the lingering taint of colonialism, insignificant throughout, was not more characteristic of the Labour speeches than of others. Indeed, on the whole the Labour members figure as the most ardent adherents of the national idea connoting national defence undertaken by Australian men, paid for out of Australian taxes, and controlled entirely by the Commonwealth Government.

Next to the nationalism of the Labour attitude, the debate is noteworthy for the practical unanimity in favour of the principle of an Australian navy; in defiance of the doctrine which the official imperialists had sought to inculcate by the terms of the new agreement. Out of the majority which barely sufficed to ratify the Bill, nearly all the leading men agreed with the minority that an Australian navy must be created sooner or later. In voting, nevertheless, for the alternative of a meagre subsidy, they followed the perverse guidance of their respective leaders.

Nor must it be imagined that the Commonwealth Parliament was heedless of the strategical arguments in favour of the plan proposed. The whole history of the Australian naval question was reviewed with admirable thoroughness by Sir John Quick and others; showing that, up to 1902, the Admiralty consistently had supported the principle of a local squadron, as an auxiliary to the imperial squadron on the Australian station. The function of the latter was the protection of intercolonial and coastal commerce, and of seaboard cities or naval bases, against the attacks of such raiding cruisers as, in the official opinion, might be expected to elude the utmost vigilance of the main British fleet. It was easy to point out that there had been no suggestion of any recent

revolution in naval conditions to justify the suddenly proposed extinction of the Auxiliary Squadron. Moreover, there was the example of England herself, for whose special protection, according to the *Naval Annual* and other authorities, localized naval dispositions were still maintained. Hence the obvious inference, that the revolution in principle, embodied in the new agreement, had been dictated by other than strategical considerations.

The latter theory, it was argued, was supported by the trend of Admiralty policy in connection with the working of the old agreement. In that scheme the *prime mover* had been Admiral Tryon, whose broad-minded policy for "cultivating the maritime spirit" had contemplated a squadron for local defence, manned, maintained, and controlled by the Australians themselves. But on the departure of Admiral Tryon, the fulfilment of his idea was entrusted to hands less able and sympathetic. For, while the strategical principle of a local squadron was maintained, the political principle of instituting an Australian *personnel* was discouraged steadily; so much so that Australian Governments, notably that of Queensland, had been refused the assistance of their own squadron for the training of their separate naval brigades. In defiance of the root principle of Admiral Tryon's design, not a single Australian seaman or officer had been trained on board the Auxiliary Squadron. Hence the present proposal, abolishing that squadron altogether, seemed to be merely a further step in a deliberate policy of preventing Australia from obtaining an independent and responsible part in her own naval defence. It was the policy of perpetuating the colonial status, of checking the expansion of colonial autonomy into national responsibility; substituting for the ideal of national equalization the anti-national notion of a centralized imperial federation.

Out of this debate it seems possible to construct the policy of naval defence which the Commonwealth would prefer to adopt. In the first place, there is due recognition of the fact that Australia is an island, rendering naval defence the prime necessity, although the circumstances of the pre-federal era formerly diverted public attention to

the military aspect. Also, there is a predominant feeling, shared by most of the Labour party, that it is unworthy of the new Australian nation to depend upon the mother country to a greater extent than is imposed by financial exigencies. There is a general recognition of the twofold character of the naval problem, of the need for two distinct naval forces; namely, a local squadron for coastwise defence, and an ocean squadron to form a unit in the British naval combination for offensive defence against organized attack. But it is recognized that an immediate naval programme for Australia cannot provide for both these squadrons on a national basis. Accordingly, it is held that the first duty of Australia is to undertake such a part as will best "cultivate the maritime spirit," and that the obvious instrument for this purpose would be the local squadron rather than the ocean squadron. For the former would be less expensive to procure and maintain; would offer greater facilities for manning and naval training; and in other ways would better answer the purpose, by reason of its local presence and distinctively Australian function. As to the practicability, even under present conditions, of instituting such a squadron, Australian in fact as well as in name, the Reports<sup>1</sup> of the Melbourne Conference (1899) and of Captain Creswell (1902) were quoted freely.

Finally, there is no reason whatever, on the evidence of this debate, to fear that the principle of imperial co-operation is becoming distasteful to the Australians, except when it is made to clash with their self-respecting national ambitions. It is certain, at present, that they would not initiate a local squadron without welcoming the advice, assistance, and disciplinary supervision of the British Admiralty. They would regard the better equipment and fortification of Australian naval bases, which would be part of their local naval scheme, as a contribution to imperial defence in a larger sphere. If such is their present idea, its logical completion would involve the ultimate provision of a second genuinely Australian squadron, to replace that which is assisted by the present inadequate subsidy, as a unit in imperial naval dispositions

<sup>1</sup> See Appendices A and B, pp. 174-189.

in the eastern seas. It is the policy of alliance, opposing the policy of supremacy.

The vitality of these principles is attested by the subsequent action of the premier himself. Winding up the debate, in which he confessed to having "learnt a little," he announced that the Cabinet now had concluded that "it was not desirable to obliterate the whole of the local naval defences." Upon this decision the Bill itself could have "absolutely no effect"; because "the Colonial Naval Defence Act of 1865—an imperial Act—does make provision by which colonies are empowered to raise colonial branches of the Royal Naval Reserve, and also to maintain ships and crews of their own. I am not aware that this Act has been repealed." Demurring to the imputation that the Government was "opposed to the establishment of an Australian navy at any time," he pointed out that "the fact that we have made the agreement subject to determination upon notice at the end of eight years, which will be somewhere about the time when the financial provisions of the Constitution will be subject to revision, is an indication of what we mean."

Nevertheless, the pressure of the nationalists was such that Sir Edmund Barton proposed the insertion in the preamble of the following additional clause:—

"Nothing in this Act or in the said Agreement shall be deemed to affect the purely Australian naval defence forces, ships, and armament maintained in the Commonwealth for harbour and coast defences. Such Australian forces, ships, and armament as may be approved by Parliament shall be maintained by the Commonwealth and be solely under its control."

By some it was argued that the addition was unnecessary, if not derogatory, since no agreement could impair the right of the federal Government, under the Constitution Act, to legislate for the defence of the Commonwealth. Others, also sympathizing with the intention of the new clause, apprehended that it was tantamount to a contradiction of the declaration in the official preamble that the parties had agreed upon the "necessity of a single navy under one authority, by which alone concerted action can be assured."

According to the Premier, however, this declaration "does not mean anything more than that, so far as the Imperial navy is concerned, it shall be one navy under one control," leaving an opening for subsidiary navies. He himself proposed the saving clause only in order to "give satisfaction to some honourable members who are under some apprehension." Even so, there was a disposition to condemn the whole preamble; because it not only seemed to exclude the possibility of Australia taking over the other (imperial) squadron at some future date, but contained "a far wider declaration of policy than we are prepared to accept." For it raised the question whether "we are finally adopting a certain principle as the naval policy for Australia, or whether we are simply doing the best that we think the circumstances of the case will permit." The mere fact of paying a subsidy was felt to imply acquiescence in a "certain principle," and to prompt the question why the subsidy should not be raised to a more adequate amount. However, the preamble was ratified with the addition of the new clause. The Bill was passed, thanks to the leader of the Opposition, by a majority of fourteen in the House of Representatives, and of seven in the Senate, where it was criticized on similar lines.

To what extent this Act impaired the credit of the Barton Government remains a matter of conjecture. Not many weeks elapsed before the strongest nationalist of the group, Mr. C. Kingston, handed in his resignation. Ostensibly he retired in connection with the federal Arbitration Bill,<sup>1</sup> which was defeated on a detail of palpably less importance to the national cause than the principle of the naval agreement. The departure of the most popular Minister was followed speedily by the withdrawal of the Premier himself, who, as Chief Justice of the Commonwealth, adorns too late a more congenial post. Under the guidance of Mr. Deakin the first federal Government completed its term, and delivered its record for judgment at the polls. The striking feature of the General Election was the large accession to the strength of the Labour party, which had led the attack upon the Naval Agreement Bill, and had included in its electoral programme the project of an Australian navy.

If the strategy of official imperialism had out-manceuvred the Australian nationalists, it had failed altogether to turn the stronger position occupied by the Canadians. In happy contrast to the Australian premier, Sir Wilfrid Laurier was not hampered by a fatal precedent, nor by a headstrong colleague: and neither the material development of the Dominion nor the surplus in its overflowing treasury depended upon the goodwill of a city imperial and imperious. But the Ministers of that proud and wealthy nation had no mind to rest under the imputation that they were indifferent to the obligation of defence. They laid before the Conference a memorandum<sup>1</sup> in which they "regret that they have been unable to assent to the suggestions made by Lord Selborne respecting the Navy and by Mr. St. John Brodrick respecting the Army. The Ministers desire to point out that their objections arise, not so much from the expense involved, as from a belief that their acceptance would entail an important departure from the principle of colonial self-government." At the same time, "they fully appreciate the duty of the Dominion, as it advances in population and wealth, to make more liberal outlay for those necessary preparations of self-defence which every country has to assume and bear." The governing principle of such a solution would be for Canada to undertake "some of the services in the Dominion which have hitherto been borne by the Imperial Government." The unfavourable criticisms passed upon the Canadian Militia were met by a reference to recent improvements; while the organization and dispatch of the first contingent, within fourteen days, was cited as a proof of "reasonable efficiency." At the same time, "if defects exist, there is every desire on the part of the Canadian Government to remove them, and for this purpose the advice and assistance of experienced Imperial officers will be welcomed, and all reasonable efforts made to secure an efficient system." The Memorandum concluded with a significant indication of the principle which in future is to guide Canadian expenditure on national defence:

"The Ministers . . . are willing that these expenditures shall

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<sup>1</sup> Report, p. 73.

be so directed as to relieve the taxpayer of the mother country from some of the burdens which he now bears ; and they have the strongest desire to carry out their defence schemes in co-operation with the Imperial authorities, and under the advice of experienced Imperial officers, so far as this is consistent with the principle of local self-government, which has proved so great a factor in the promotion of Imperial unity."

The precise nature of the "measures proposed," from which the Canadian Ministers were "obliged to dissent" on the grounds stated, remains one of the secrets of the Conference. Yet enough has been made public to tempt conjecture. Rumour has it that by the original prospectus the proportion of naval tribute debited to the Dominion was £500,000 per annum;<sup>1</sup> and that when the full amount was not forthcoming, the imperial directors intimated their willingness to accept half that sum. As regards the military side, it is plain enough that the scheme for colonial reserves, trained to the Pall Mall pattern, and earmarked for the service of an uncontrolled imperial Government, met with short shrift at the hands of both the Canadian and the Australian statesmen, who knew how the South African experience was being interpreted in the homes of their volunteer contingents.

Yet the Conference of 1902 may still prove to have been most fruitful where it seemed most to have failed. The passive resistance of a colony does not satisfy the energy of a nation; and the Canadian Government was ready to follow up its own suggestion of practical alternatives to the official programme. It is within the writer's knowledge that, as far back as 1898-99, at least one prominent Canadian Minister favoured the idea of relieving the British taxpayer by assuming the maintenance of Halifax. Doubtless the garrisoning and general upkeep of a first-class naval station would involve a larger average annual expense than the dole of the abortive prospectus. But on neither side has the financial question been uppermost. As a matter of principle the Dominion Government held out for a national form of naval enterprise; and equally jealous of principle, the official imperialists clung to the colonial theory, repelling the "disloyal" implication

<sup>1</sup> On the authority of the *Melbourne Age*.

that Halifax belongs to Canada rather than to England. At length, in the crisis of the war, prejudice yielded to expediency; and Canadian militiamen lined the ramparts of their own seaport fortress, to watch the British garrison set sail for South Africa. But the lesson of the war was misunderstood, until enforced more rudely by the lesson of the Conference. Not until after that notable disillusioning did our official imperialists give their serious attention to the nationalist point of view. Presently, having taken the lesson to heart, they invited Sir Frederick Borden, the Dominion Minister of Defence, to membership of the new Committee of Imperial Defence; and discussed the project of leaving Halifax permanently in charge of the Canadian people. A different concession to national sentiment sanctioned the termination of the practice, and implies the surrender of the theory, whereby a British officer commands the Canadian Militia. The political desirability of this reform long had been felt in Canada from time to time, owing to the alleged difficulty of controlling an imperial officer, impregnated with the ideas of official imperialism. With unpleasant regularity there had occurred "regrettable incidents," said to reveal a tendency of the imported G.O.C. to ignore or slight the Canadian authorities, and to look primarily for the approval, tacit or avowed, of his superiors at home, as though he had been appointed by them instead of being the paid and responsible servant of the Dominion Government. However, the political consideration hitherto had been outweighed by the military prejudice, which the people shared so long as colonialism was paramount. But the reform became inevitable from the moment when the first contingent of Canadians set foot in South Africa, to view the War Office in action and to compare the merits of various types of officer in the field. Self-confidence in military matters reinforced the political argument, and the sentiment of "Canada for the Canadians" began to affect the question of the militia.

On the return of the Minister of Defence (Dec. 1903), the Canadian Government took in hand the schemes discussed by him with the Imperial Committee. In January (1904) it was announced from Ottawa that "Great Britain accepts



Canada's offer to take over the expense of garrisoning Esquimaux and Halifax, owing to the possibility of war in the Far East"<sup>1</sup>—the last sentence apparently being intended as a bridge for the retreat of the old imperialism. Soon afterwards it was announced that the Minister of Marine, Mr. Prefontaine, a French-Canadian, was preparing a scheme for a Naval Reserve, "the nucleus of which will be the fishery protection fleets on the Atlantic and Pacific oceans and the Great Lakes, to which two vessels with modern armaments will be added this year." (Reuter.) From this message it appears that the Dominion shares the Australian sentiment, that naval enterprise directed to local purposes is the best method of "cultivating the maritime spirit" and the sense of national responsibility.

Whatever the immediate outcome of the subsequent negotiations, it is to the Conference of 1902 that the future historian will trace the decisive overthrow of the colonial theory, and the tardy recognition of national aspirations. In Lord Selborne's speech, dealing with personal service in the British navy, he will note a last despairing attempt to reconcile the conflicting principles. The notion that opportunities for naval service under the British Government would suffice to give Australians or Canadians a sense of "personal possession" in the British navy is radically wrong. The mere fact that so futile an expedient should have been adopted seriously is a symptom of vital weakness in the theory which prompted it. With better logic the Admiralty, in former days, set its face against the employment of Australians, accepting the opinions of its officers on the spot that colonials were not amenable to naval discipline—a proposition which would have applied with equal force to those unruly Americans whose capacity was tested ultimately off Manila and Santiago. A more genuine difficulty was the fact that British rates of pay are much below the Australian standard. In its extremity, to save its dogmatic doctrine the Admiralty took the bull by the horns. On the principle of "one control," it could not ask the federal Government to

<sup>1</sup> It has been reported subsequently that Canada refused to find the money so long as England retained control.

make up the difference; or perhaps Sir Edmund Barton pleaded the poverty of his country. However that may be, it is the British taxpayer who now is called upon to increase his naval estimates, in order to promote imperial solidarity and naval efficiency by establishing two rates of payment for the same work in the same place—the higher rate for the Australian who only serves, and the lower rate for the Briton who rules and pays for both!

In one influential quarter the lesson of the Conference seems to have fallen on deaf ears. The Navy League deemed it advisable to send a special envoy round the Empire, that the arts of the popular lecturer might attempt the task which had baffled the official imperialists. Mr. Wyatt, having completed his tour, gave a summary of its result in rather more than a column of *The Times* (Oct. 6, 1904). His letter is an unconscious echo of the Conference. The story of his reception beyond the seas once more exhibits loyal colonists accepting the principle of cash contributions, nominally at any rate; while nationalists reject it altogether. Naturally it was in the South African colonies, the furthest removed from national consciousness, that he obtained the most encouragement. Thus the premier of Cape Colony admitted that "the amount now contributed by the Cape to the cost of the navy is far less than ought to be granted." In Natal the colonial leaders seem to have proved equally amenable; and Johannesburg was waiting only until "the condition of the finances render a naval subsidy possible." New Zealand seemed enthusiastic, yet showed only "*a disposition to contemplate an increase in the amount of its subsidy.*" For the nations Mr. Wyatt can spare only a quarter of the space which he devotes to the younger self-governing colonies. In Australia he encountered "greater difficulties than anywhere else," including "a strong feeling in favour of a local navy for the exclusive protection of Australian coasts," which seemed to necessitate a special "organized and instructed effort to explain the fallacies involved." In Melbourne a new branch of the League was joined by "various eminent men, including Sir John Forrest and Sir Edward Hutton"—names which hardly are representative of Australian national-

ism. Mr. Wyatt refrains, as well he might, from discussing "the attitude of Canada towards naval contribution." But he tells us, significantly, that now the "special aim of the Navy League in Canada is the creation of a naval militia or reserve, for the service of the fleet in time of war." Even so, "the obstacles in the way of Canadian assistance to the navy are undoubtedly serious." The trouble is that "the number of those who understand the principles of naval strategy is comparatively small, and the cloud of misapprehension is relatively great." Truly, the cloud of misapprehension is great.

Such has been the contribution to efficiency, in defence, of the imperialism which eliminates or antagonizes national aspirations. To English sympathizers with those aspirations, who look to national patriotism for a broader-based defensive union than ever could spring from colonial loyalty, Canada seems splendidly to have maintained her traditional hegemony of the daughter States. Full of assurance for the future, the Conference of 1902 suggests a question for to-day. If imperial federation has eluded our grasp, why pursue the fleeting phantom in angry disappointment? The old order passes, and in vain its chagrined prophets cry out against the new. Abandoning the shadow, let us reach after the substance; discarding supremacy, to stake the future on alliance.

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## APPENDIX A

From the *South Australian Register*, Aug. 22, 1899

### REPORT OF THE NAVAL CONFERENCE

The Government has received the official report of the Conference of Naval Officers recently held in Melbourne with the view to establish a branch of the Royal Naval Reserve or provide an alternative concerted scheme. The following officers assembled:—Captain F. Hixson, Commanding New South Wales Naval Forces; Captain W. R. Creswell, C.M.G., Naval Commandant, South Australia; Captain R. M. Collins, Secretary for Defence, Victoria; Commander W. Drake, Acting Naval Commandant, Queensland; and Commander

F. Tickell, V.N., Commanding Victorian Naval Forces. Captain Hixson was elected President, and the Chief Clerk of the Victorian Defence Department, Mr. F. Savage, was appointed Secretary of the Conference.

The Conference reported as follows :—

As it is improbable that either the Admiralty proposals for raising a Naval Reserve in Australia or that any alternative scheme proposed by the Conference for increasing the naval defence of Australia can take effect before federation, we base our recommendations on the assumption that such should be carried out by a Federal Government.

The Conference agreed to the following resolutions, to be submitted to their respective Ministers of Defence :—

Moved by Captain Collins—

1. That whilst a Royal Naval Reserve cannot, in our opinion, be raised in Australia on conditions required by the Admiralty, yet we consider that a Naval Force that would be efficient and available for service in vessels of war can be raised on rates of pay and conditions of service suitable to the colonies.

2. That such force should be formed by the amalgamation of the existing naval permanent establishments, who would be the instructional staff and required nucleus for maintenance of the vessels in reserve, the complement of the vessels being made up by the officers and men not permanently employed but maintained in efficiency by courses of annual training. This force would be maintained and controlled by the Federal Government, and would be governed by a Federal Discipline Act and Regulations which would provide for their employment in general naval service.

3. The Admiralty to provide ships of a type effective for service in time of war, which, in peace time, would be stationed at the principal ports for the drilling and training of the local Naval Force. These ships to be maintained by the Federal Government, and be subject to periodical inspection by the Naval Commander-in-Chief.

#### *Observations on the Resolutions.*

*On Resolution 1.*—We are of opinion that although a Royal Naval Reserve cannot be raised under Admiralty conditions, a Naval Force of proved efficiency can be organised and trained under the systems long in force in the Australian colonies. There is at present a Naval Force of 1545 men in existence in Australia, distributed as follows :—New South Wales, 573 ; Victoria, 300 ; Queensland, 512 ; South Australia, 160. Of these over 1000 can

be considered *bond fide* seamen, and the remainder consist of boatmen, yachtsmen, etc. Thus there exists already a valuable nucleus of trained men, and, from an examination of the returns of the seagoing and fishing population, the Conference consider that, under effective organisation, a Reserve Force of 3000 seamen could be raised in time of need; whilst with regard to men who could not be classed as seamen, "there is reason to believe," as Lord Brassey has stated, "that the bluejackets form an excessive proportion of the complement of mastless ships of war, and that the number of the seamen class required has been calculated under the influence of traditions coming down from sailing ships of former days"; and, therefore, if necessary, a considerable proportion of the Colonial Naval Reserve might be raised in accordance with such changed conditions as where efficiency in naval gun drill and the use of small arms and ability to pull an oar might be considered sufficient qualifications. The duties of a reserve or supplementary force are either—(1) To make up for waste after engagement, etc.; (2) to raise the skeleton crews of vessels to war strength, and thus at once increase the number of available ships. Such a force as could be raised in Australia would largely exceed any possible requirements of the vessels on this station, and there are no vessels available to absorb the remainder. The Conference note that, under the present establishment of Imperial fleet strength in these waters in war time, when obsolete vessels, surveyors, etc., would be withdrawn, there would be a surplus of seamen over those required to man the effective ships on the station, leaving no place to be filled by a reserve on the present establishments. Therefore, without the addition of reserve ships, the full value of such an important force would not be developed, but would be wastefully idle in time of national emergency. The Conference are of opinion that an increase of the naval strength on the outbreak of war would be an immediate necessity for the protection of the floating commerce of Australia, in which the mother country is largely interested; and that the additional strength of the naval defence in war time could be adequately provided as recommended in Resolution 3.

*On Resolution 2.*—The ability of the naval establishments in the Australian colonies to raise and train naval forces has long been proved, as shown by the reports of Admirals Commanders-in-Chief on the station. Further, we have had the honour to receive a letter from His Excellency Lord Brassey, whose experienced judgment in such matters is so well known, in which he gives it as his opinion that the training of seamen in the colonial ships of war, *Cerberus*,

*Protector*, and *Gayundah*, might be considered an equivalent to six months' continuous training in an Imperial ship of war. . . . The Conference recommends that . . . the seaman should be drafted to the First Division for a period of five years, during which he would be liable if required for service in the fleet abroad; then drafted to Second Division, for a period of five years, for harbour service. Third Division—to reinforce Second Division.<sup>1</sup>

*On Resolution 3.*—These vessels would furnish the increased naval strength required in war time, and be a substantial addition to the fleet of the Empire. The stationing of ships in reserve at our ports, while they would be of service in training crews that would be required to man them in war time, would cause no additional cost to the British taxpayer. The Naval Force detailed to man, or partly man, these ships should be raised by expanding the present local Naval Forces, as proposed in Resolution 2. At the Premiers' Conference in London, in 1897, presided over by the Secretary of State, the Right Hon. Joseph Chamberlain, it was proposed by the Right Hon. C. C. Kingston, the Premier of South Australia, to substitute a force of trained men for the payment in money now made for the maintenance of the Auxiliary Squadron. In the letter previously referred to as having been received by the Conference from Lord Brassey, the principle received some support. The cost of the maintenance of the local Naval Forces in Australia is at present about £65,000 per annum, which, together with the £126,000 contributed each year towards the cost of the Australian Squadron, makes a total annual expenditure on Australian naval defence of £191,000. The Conference are of opinion that this expenditure, controlled by the Federal Government, would be sufficient to provide for the maintenance of five second-class cruisers, stationed in peace time, as proposed, in the principal ports, and exercised from them, and for the raising and maintenance of a reserve of sufficient strength to provide not only for the manning of these vessels in time of war, but also to furnish a source from which men would be available to meet Imperial naval requirements and to make up waste.

*General.*

*It has been the design of the Conference to outline a scheme whereby the available naval defence in Australia shall advance pari*

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<sup>1</sup> This part of the report appears to be misprinted in the newspaper from which it is quoted. The text as given above is somewhat conjectural.

passu with the growth and development of the Australian Commonwealth, and become less, year by year, a charge on the Imperial forces and Exchequer. To develop our resources and the training of our seamen, so that, instead of remaining a source of weakness and anxiety to the mother country—an exposed flank—we may gradually become a strong outpost. To accomplish this it is necessary to have special regard to the nature of the defence requisite for an island continent. It was with the object of developing Australian naval efficiency that the late Admiral Tryon suggested the formation of the Auxiliary Squadron. The progressive policy which it is certain he intended to carry out with this end in view has not advanced from the initial stage at which Sir George Tryon left it. When the Auxiliary Squadron was first established by agreement between the colonies and the Admiralty, it was generally understood, in Australia at any rate, that the ships would form a means of drilling and training Australian seamen. This expectation has never been realised, the vessels in reserve having always been laid up in Sydney, and no attempt has been made to utilise them for the benefit of the local Naval Force. There has, consequently, been no advance in Australia's ability to undertake any honourable share in her sea defence. The present policy, namely, that of the payment in specie in return for naval defence furnished *in toto* by the mother country, makes no advance whatever. Twenty or fifty years hence Australia's ability for sea defence—self-defence—will be as to-day, and as it was ten years ago. *A continuance of the present policy involves either the periodical increase of the amount paid to the Imperial Government for naval defence, that the growing trade and interests of the Federation may be adequately protected, or, if that amount be not increased, we must expect a justifiable complaint from the British taxpayer.* In this connection it is well to remember the high point already reached by the Imperial Naval Estimates. In the event of a European combination of such strength as to occupy the attention of the British fleets, the continuance of a policy which in no way advances Australian ability for sea defence might have disastrous consequences. It has been the invariable policy of the motherland to encourage all her colonies and dependencies in self-defence, *i.e.* to encourage the organising of forces suited to meet and to resist the particular danger to which they are exposed. The Cape, Canada, and India are all cases in point—all have land frontier requiring military defence. Australia, having no military frontier, requires for her defence a sea or naval force. As a recent modern example of the respective merits as a defence of a powerful army or navy for

an island defence, the case of Cuba in the recent American War is conclusive. Cuba had a standing army of from 150,000 to 200,000 men, and an inefficient navy; the United States a standing army of from 25,000 to 30,000, and an efficient navy. The efficient navy of the United States destroyed the Spanish navy. The small army of 25,000 men embarked, and, choosing their point of attack, captured Santiago. The large army, with Cuba closely blockaded, became merely an additional burden as ration-eaters, and hastened the fall of the Spanish side. It is necessary here to draw attention to the salient conditions which will govern Australian defence and determine its character. Within the last half dozen years the keen attention of the political world has been concentrated on the Pacific. There is every indication that it will play the part of the Mediterranean in the past century as the arena of national contending forces. France, Russia, Japan have established naval bases, and possess powerful fleets in the north of the Pacific. Nearly every other European Power has effected a lodgment in the seas to our north. Every consideration, both of defence and our position of influence, which will be that of the "New Power in the Pacific," demands from those responsible for the organisation of federal defence the recognition of the primary importance of naval defence for Australia.

Lord Brassey's letter to the Conference. In this communication the Governor of Victoria expressed his keen interest in the enrolment of a Colonial Naval Reserve, a question to which he had given his best attention and keen support for more than a quarter of a century. Lord Brassey showed how many of the Admiralty conditions, which were not suitable to seamen in Australian waters, could be adapted to colonial requirements. Referring to the good work done in the Spanish-American War, His Excellency said that our Colonial Naval Reserve should be drawn from the same class which gave to the United States Navy in a few weeks 12,000 men, who, although without previous service in war-ships, were found efficient for their duties. In conclusion, Lord Brassey offered the following suggestions:—(1) The Colonial Naval Reserve should consist in some proportion of marines. (2) Drills and exercises afloat in colonial armed vessels may be substituted for the six-months' service in a vessel of war, as required for the Naval Reserve of the United Kingdom. (3) The retainer offered by the Admiralty to be supplemented, as far as may be necessary, by a contribution from colonial funds.

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## APPENDIX B

REPORT BY CAPTAIN CRESWELL ON THE BEST METHOD OF EMPLOYING  
AUSTRALIAN SEAMEN IN THE DEFENCE OF COMMERCE AND PORTS

*Laid upon the Table of the Senate by command, and ordered to be  
Printed, February 7, 1902.*

"For a maritime State unfurnished with a navy, the sea, so far from being a safe frontier, is rather a highway for her enemies; but, with a navy, it surpasses all other frontiers in strength."

The above quotation, from the *Edinburgh Review*, is of close application to Australia. Our future must be that of a maritime State.

It is a truism that the defence of the frontier of a State should be in the hands of its frontiersmen. In Australia our seamen are our frontiersmen. They numbered 32,000 in 1891.

That Australia should take an active and personal share in her own defence, and especially in that which is her main protection, is so directly in accord with the first principles of defence and our soundest policy as a portion of the Empire, that only reasons of an insuperable kind, such as national incapacity, could compel any other course.

The insuperable bar is said to be the cost—£4,000,000 for first outlay and £1,000,000 per annum for annual maintenance. That, under present circumstances, is prohibitive. It is in the best interests of an Australian navy that it should be so. Money cannot conjure a navy into existence.

On the other hand, the alternative proposed, that of an increased contribution to the Imperial Government, is one of stagnation and continued naval impotence for Australia—tying up for an indefinite time the country's best defensive arm.

The scheme required must be within our means, and of gradual development on sound lines, to advance by progressive steps during a fixed course of years; each forward step and addition to the federal naval strength to be met by a reduction in the annual contribution to the Imperial Government, finality being the taking over by Australia of the protection of her own floating trade, the particular duty for which the Auxiliary Squadron is maintained.

From an Australian point of view, the case for the establishment for her own naval defence scarcely needs argument. From the Imperial standpoint, the case is equally strong. The life of the

Empire depends on the fleet; any strengthening of the fleet adds to the security of the Empire. Australia is the only considerable dependency that is absolutely free from any concern for the protection of a land frontier, and in a position to concentrate her attention on sea forces and to add to the fleet strength of the Empire.

The first term of the agreement for the Auxiliary Squadron is now completed, and the payment of over a million of money is not represented by any remaining benefit whatever. It is proposed to conclude a fresh agreement, presumably at considerably greater cost, and a like result may be looked for.

The scheme here proposed, while it will be as effective in war as the fresh agreement, will cost no more, and we shall have the solid remaining advantages of experience gained in naval work, training and experience of officers and men, together with possession of ships, plant, guns, etc. Economies which make such solid advantage possible are due to difference in conditions between an Australian fleet serving in its own waters with only reduced permanent crews, and the cost of manning and providing for a fleet from the other end of the world with full complement, passage of crews to and fro, etc.

There is advantage in using the services of officers and men on the spot, and who have a close knowledge of the waters in which they will have to serve.

Australia offers advantage to the defence as yet unavailed of in one important particular. It admits the use of a type of vessel of superior gun-power to others of her class or any probable enemy.

Organisation will be on the basis of reduced permanent crews, and large reserves from the mercantile marine. The pay and retainer to the naval reserve will be a measure of protection against the cheap foreign seamen and Asiatic.

For enduring efficiency, a navy must be of comparatively slow growth. The Australian naval defence should advance by successive steps.

#### *Scheme.—First Step.*

The provision of one modern ship of war, to be ordered forthwith, specially designed to suit local conditions, and to be typical of the class of ship required for Australian defence.

Her armament to be of the latest kind in use in the Royal Navy. Discipline, routine, and training to be that of the Royal Navy. The naval Commander-in-Chief on the station to be empowered to inspect the ship and all men trained at any time, and to order alterations to be made in drill, routine, etc. In time of war the ship to be placed

under the orders of the naval Commander-in-Chief for service in Australian waters.

The men trained will in time of war man the federal ship of war, the remainder to be placed at the disposal of the Commander-in-Chief, to man ships in reserve and fill up casualties.

The cost of the federal naval force, in peace or war, and however employed, to be entirely borne by the Federal Government.

The federal ship of war to carry a full complement of officers and instructors, but only a sufficient permanent crew for navigating, caretaking of armament, etc.

Supernumerary junior officers and midshipmen to be appointed for training purposes as requisite, to meet requirements of expansion.

The coast and ports of Australia to be divided into naval districts for training purposes; each district to raise one ship's company. The complement of one Australian defence ship to be the unit, and under the orders of the commanding officer of the district, who will be responsible to the Naval Commandant.

The federal ship will make the round of all districts at least twice in each year for the continuous training afloat of the naval force, which it will be compulsory for officers and men to undergo at least once a year.

All present gunboats and gun vessels for harbour service to be surveyed, and their usefulness or otherwise decided upon. Such as are now quite obsolete, and deemed a greater expense to maintain than can be justified by their efficiency, to be paid off and sold.

The whole question of harbour and roadstead defence to be reconsidered, and organised on lines more in conformity with modern requirements. Harbour and roadstead defence has remained in the condition it was in when the Auxiliary Squadron Agreement was signed, excepting that the plant has depreciated.

A training ship or ships for boys for naval and mercantile service, and a navigation school for naval reserve, affording them opportunities for rising in the mercantile marine, will attract the best men to the naval force.

Cost of one cruiser . . . . .	£300,000
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*Expenditure—*

Interest on purchase of cruiser . . . . .	£9,000
Wages to complement of 120 officers and men and boys . . . . .	16,000
Coal, ammunition, stores, etc. . . . .	12,000

Carry forward,	£37,000
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Brought forward,	£37,000
Unforeseen and incidental to initiation of new service, training of additional officers and instructors to meet expansion of service . . . . .	(a) 10,000
	<u>£47,000</u>
To be met by transfer of one-third of present contribution to Auxiliary Squadron to Australian naval defence .	£35,000
And reduction in local naval defence by using present staff and re-organisation .	12,000
	<u>£47,000</u>

First ship to be ordered forthwith and completed in 1903.  
Completion of first ship to be followed by—

Second ship, to be completed in . . . .	1905
And expense of maintenance to be met as in first.	
Third ship, to be completed in . . . .	1907
And expense of maintenance met as before.	
Fourth ship, to be completed in . . . .	1909
Special provision will be made for maintenance of fourth ship in reserve. . . . .	

The training duties required will be divided between the first three ships. The cost of maintenance of the three will be considerably less than treble the cost of maintenance of the first ship.

Cost of accessory establishments, training ship, etc., to be met from (a), for three ships, gives total of £30,000.

An Appropriation Act extending over ten years, setting aside £300,000 to £350,000 annually for naval defences would be a more satisfactory arrangement. It would suffice to provide a fleet of five cruisers suitable for our defence, and leave no debt. If continued, even at a reduced amount, it would provide for all renewals as required. The total vote for defence is £850,000. The naval vote of £350,000 is a moderate proportion in a country only liable to a naval attack.

#### *Organisation.*

The ships of the Australian Naval Force will be manned by reduced crews, and raised to war strength from our Naval Reserve.

The Australian ships will, if required, be the reserve squadron to the imperial fleet in these waters, the latter being always fully manned and ready for immediate service.

The above is a close parallel of the plan in force with the home fleets of the United Kingdom, where there is—

(a) The Channel Fleet, fully manned and ready in every particular for instant service; and

(b) The First Reserve, not fully manned, and raised to war strength from the Coast Guard.

For considerations that scarcely weigh with Australia, the First Reserve Fleet has recently been raised to a very forward condition of preparedness, and exercised quarterly. Something but little short of this can be accomplished here, the difference being delay in calling up reserve men in private employment, instead of under one command, as in the home Coast Guard.

The Australian seaman is readily trained.

By training and practising him in the ship in which he will be required to serve, he can be made efficient for service in a comparatively short time.

#### *Test of Reserve System.*

The *Protector*, under this system, was manned and ready to leave for China in three days. On arrival in China, the Commander-in-Chief reported, "that the *Protector* was most useful, being an efficient and well-kept man-of-war, reflecting credit on captain, officers, and men." Her engine-room staff, largely made up of reserve men, steamed her 16,000 miles in four months, and she returned without defects. The system of reduced permanent crews and reserve has thus been fairly tested.

#### *Cadet System.*

The natural counterpart and development of the cadet system is a training ship or ships, centrally situated, and made available for Australian lads. Lads of approved character should be entered for training, and given opportunities for entering upon a sea career under favourable circumstances; a selected number to be enrolled in the naval force, and the remainder in the mercantile marine, with the proviso that they should serve for a period in the Naval Reserve.

#### *Navigation School.*

The technical education that is given gratis in various crafts, trades, etc., should be extended to the sea calling, and a school for

navigation established in connection with the naval force at the principal Australian naval station. Many promising lads without means or opportunities are, under present circumstances, forced to remain in the lowest ranks.

Service in the Naval Force to entitle a limited number to study at the navigation school and qualify for higher certificates in the mercantile marine. This would serve to attract the most desirable men to the force.

The training, instruction, and discipline acquired in the naval service by officers and men of the mercantile marine will be a benefit to the latter service, its success and safety depending directly upon the skill and discipline of its *personnel*.

A flourishing mercantile marine is a considerable asset in a country's prosperity.

#### *Cost of Warships.*

The objections to the provision of an Australian navy were on the ground of—

*Firstly*, great cost of original outlay; and

*Secondly*, ships of war, it was said, became obsolete so quickly that they have to be continually replaced.

Both the above have been much overestimated.

The cost of a ship of war was said to be £1,000,000. That is the price of a battleship, a vessel practically useless for Australian service. Their sphere of service is restricted to the major operations of war, the scene of which, it is extremely unlikely, will be in Australia. Our work in hand is the protection of the floating trade; for this a different class of vessel, costing a fraction of the amount paid for a battleship, is required.

The limit of cost for the Australian war vessel would be £300,000.

#### *Life of Warships before becoming Obsolete.*

Obsolescence has also been overstated. There is little change in the hull of ships. In speed, only a small advance has been made in the Royal Navy in the last ten years. Armament requires occasional modification. It is only at long intervals that inventions in armament demand radical changes. The *Royal Arthur* is ten years old, up to date in every particular, and will probably hold her place for some years. Changes in arms and machinery and locomotion, though continuous, are gradual. On the other hand, it

occurs from time to time that some new invention is evolved that offers commanding advantages. This, however, generally happens at long intervals; of such are the application of steam to ships, breech-loading guns, and Whitehead torpedo boats. The first to adopt a well-proved discovery will have the longest term of up-to-date life.

The *Protector* was built in 1884, immediately after breech-loading guns were proved a success. Four years later she could outrange the flagship of the Australian station, the *Nelson*, which was still armed with muzzle-loading guns. Seventeen years later she is favourably commented upon in China as an effective warship, requiring but little to place her in the first rank of her order. If this is rapid obsolescence, and can be put forward as a valid objection to undertaking our own defence, it will seem to imply with equal force to all armaments. Since the *Protector* was launched, two, if not three, changes have been made in the arm of military forces. The first to adopt a new invention of proved value will remain up to date for the longest time. At this moment there is taking place the greatest change in marine locomotion since the use of steam machinery in ships. The steam turbine is already a proved success, and will in all probability revolutionise steam machinery afloat. The greater the navy, the longer will be the time required to carry out any change made necessary by modern inventions. Probably from twenty to thirty years will pass before every ship in the Royal Navy is propelled by steam turbine machinery. The advantages of turbine machinery are increased speed, increased efficiency, with considerable decrease in weight of engines, in space they occupy, in supervision, and tendency to get out of order; qualities of special value to the ship proposed for Australian service. Modifications in armament are matter of smaller moment, and comparatively unimportant.

#### *Special Type for Australia.*

Great advantage will be gained by the adoption of a type of vessel specially designed for the service she will be required to carry out in Australian waters. None such exist in the Royal Navy.

Ships of the Royal Navy may be called upon to serve all over the world; they are built, armed, and fitted accordingly. Such a ship must be able to steam great distances on end, and carry on operations away from a base for a comparatively long time. Long-distance steaming compels great coal capacity. Long absence from a base requires that there shall be large stowage room for stores and

provisions. The whole space and tonnage of a vessel of war is roughly divided as follows:—

1. Engine and boiler room. 2. Coal and stores. 3. Crews' space. 4. Guns and ammunition. 5. Armour.

Tonnage being limited, none of the space under the above headings can be increased unless at the expense of the others. To increase coal stores and armour would be to decrease engine-room and boiler or crew space. Ships of the Royal Navy being designed to steam great distances, and to be absent from their base for long periods, a very large proportion of the tonnage is set aside for coal and stores. This compels reduction in armament, and they are therefore very lightly armed in proportion to their tonnage.

Service in Australian waters would not be at any great distance from a base; all ports would be open to our ships for replenishing their coal. The generous allowance of space or tonnage for coal and stores (especially for stores), required by the British cruisers, would be unnecessary for Australian service.

By adapting our design to the favouring conditions of a long coast-line with many coaling ports, we can reduce the coal and store space, and increase largely armament and gun-power. There can be no greater waste than to carry hundreds of tons of coal and stores more than necessary. Gun-power can, therefore, be so largely increased in an Australian ship that she would be equal to a ship twice her tonnage. Besides greater fighting efficiency, there is a large economy in purchase money, maintenance, and up-keep of the smaller vessel.

Special service ship of 960 tons carries 70 per cent. heavier metal than general service ship of 2500 tons.<sup>1</sup> The above principle applied to a vessel of 3000 tons would give an armament exceeding that of any probable commerce raider, and equal to many first-class cruisers. Coal and store space has in the above been sacrificed, but it is likely that the adoption of the turbine may to some extent compensate even for this sacrifice; its economy of weight and space being one of its strongest recommendations.

The objection that such ships would be restricted to a limited field of action, and useless if imperial emergency called for their service elsewhere, and that we should thereby be pursuing an unsound policy of localising naval defence, is clearly disproved by the *Protector's* performance. She is only 960 tons, and designed for service in the South Australian gulfs, yet, with a heavier armament, covered the distance to China in practically the same time as the

<sup>1</sup> Illustrated by the *Protector* (960 tons) and the *Wallaroo* (2500 tons).



*Wallaroo*, of 2500 tons. It is clear that a ship should be specially designed to carry out the work which is her *raison d'être*. It does not preclude her being of service in other respects, but all other considerations should be secondary to the main one—her ability to do the work she was built for. Powerful ships may mean fewer ships, and proportionately smaller expenditure.

### *Naval Requirements in War.*

The great want in every previous naval war has been men to man our ships. Wholesale impressment can no longer be enforced to make up the numbers. It would be suicidal to disorganise the merchant service upon which depends the food supply and raw material for the United Kingdom, nor does the British mercantile marine offer the same recruiting field.

There is, at the present time, a shortage of some thousands of officers and men necessary to raise the fleet to actual war strength, even allowing for a response by 75 per cent. of the Naval Reserve—a liberal allowance.

Any future naval war, it is certain, will be waged against a combination of naval Powers. It is most unlikely that any single Power will undertake the task.

Great and powerful as the British fleet is, it will be taxed to the uttermost to cover and protect a world-wide commerce, which is the life of the nation, and at the same time carry on the heavy work of the major operations of war in Europe. The fleets of Powers that have little or no commerce to defend, and so are available for aggressive purposes, are rapidly increasing. Absolute and complete dependence by Australia upon the British Navy, situated as we are at the extremity of the Empire, will add to that strain.

Failures, defeats, inability to afford us complete, perhaps any protection—it is only reasonably prudent to take into account—our condition in such a contingency would be one of absolute helplessness. However powerful and perfect our military organisation, and well armed and garrisoned our forts, our sea traffic must cease, or be at the mercy of the merest privateer.

The spectacle of some 5,000,000 Anglo-Australians, with an army splendidly equipped, unable to prevent the burning of a cargo of wool in sight of Sydney Heads, is only the ordinary consequence of a policy of naval impotence. The main artery of trade in Queensland, that which connects the sea terminals of the several lines of railway, is the coast route. It carries all her commerce, and is exposed.

There are some 1800 men in the Naval Forces of the various States. The lack of training facilities has told against their efficiency in some States. Under federal organisation, and with proper training afloat in the federal ship of war, they could be made an effective body of men for sea service.

Although labouring under many disadvantages, this force has been kept together in the firm belief that with federation—a federation mainly for defence—there would be established an Australian naval defence, in which they would be accorded their due place. No steps have yet been taken in that direction, so far as the Naval Forces are concerned, and doubt on this point is having a detrimental effect.

If it is intended that this force shall be abolished, all previous expenditure will be wasted, and the creation of an Australian navy *de novo* will be rendered far more difficult, will take a considerably longer time, and be far more costly.

It has been said that the Australian is a poor seaman, and does not take readily to sea work. This scarcely needs contradiction. Australia has inherited her due share of the nation's genius for sea enterprise, either for war or commerce. The scheme put forward has been designed to develop our naval capacity at the least (if any) additional cost to the country; but I would respectfully ask whether it would not be in the true interests of Australia and the Empire, even at considerable cost, to develop locally those qualities of race and that sea profession which first gave us, and has since held for us, the land we live in.

W. R. CRESWELL,  
*Capt. and Naval Commandant, Queensland.*

## CHAPTER IX

### THE NATIONAL AUSTRALIAN NEWSPAPER

COLONIAL journalism is not a witness which throws much light upon the genesis and growth of colonial nationalism. In the early days the colonial newspaper merely was a by-product of the British commercial enterprise which it was the sole function of a plantation to promote. Later, when an indigenous population began to assert a public opinion of its own, the newspaper, unable to depart from the standpoint of Home commercial interests, generally figured as a reluctant follower rather than an enthusiastic leader.

Canadians, when they complain that the development of their country has been retarded by the undue timidity of British capital, may discover one item of compensation in the comparative liberty of their journalism. For their press, however much it may be controlled by commercial influences, at any rate reflects ideas and interests which are Canadian rather than external. If its literary and technical style is American rather than British, it is not the less spontaneous on that account. But of late years certain prominent Canadian journals have been distinguished by a marked endeavour to criticise public affairs from a genuinely national standpoint, giving a lead to the direction of popular Canadian patriotism. Conspicuous amongst these are the *Montreal Witness*, conducted under the Scotch Presbyterian influences which have become associated with commercial progress all over the Empire; and the *Toronto Globe*, which is the reputed mouthpiece of the present Canadian administration.

On the other hand, the early Australian press was fully impregnated with English traditions. The principal newspapers, for a long time owned and edited almost exclusively

by Englishmen, became stereotyped in an old-world mould. In outward appearance and journalistic style they were a faithful reproduction of the orthodox English model. Towards public affairs their attitude tended to conventionality, in conformity with the commercial fact that Australia was England's possession. Not until the last quarter of the century was the solemn uniformity of the colonialist press disturbed by the intrusion of nationalism.

The revolt against colonialism in commerce created a corresponding opportunity for journalistic innovation. The development, in Victoria, of the protectionist system was accompanied by the development of the *Age*, which presently became the most influential of Australian dailies. An incidental result of provincial disunion was that the leading newspapers of Sydney and Melbourne never attained any considerable circulation outside their respective colonies. But the upstart *Age*, just because its protectionist standpoint was Australian rather than English, rapidly acquired a greater continental influence than its old-established rival, the *Morning Herald* of Sydney. For the latter was wedded by half a century of tradition to the notion that England was the great repository of commercial and political wisdom; and that the system which suited the English importer, financier, or absentee landowner, was the only "natural" system for a loyal dependency.

Thus the rise of the *Age*, so far as it signified a revolt from colonialism, marks a decided advance along the road leading to the Commonwealth. But the new journal does not seem to have been avowedly or consciously national in its aims. As the champion of the protected interests, which necessarily were provincial, it played its part in accentuating the anti-national friction which marked the relations of Victoria with the mother colony, where free trade retained the sanctity of a religion. Nevertheless it was preparing the ground for nationalism. It promoted the idea of self-supporting industrial activity, as preferable to the everlasting exchange of native raw material for foreign manufactures; and instilled the doctrine that indigenous manufacturing industries alone could furnish the material basis of that social

reformation which already was the chief political object of Australian democracy. When federation became a popular and practical question, the *Age* naturally was found upon the side of a policy which would open a continental market to Victorian manufactures. But the federalist newspaper necessarily was nationalist also, in the sense of encouraging the sentiment of pan-Australian patriotism, as an antidote to the idea, industriously circulated from the Sydney press offices, that federation was nothing else than a manufacturers' conspiracy engineered in Melbourne. Nevertheless, the nationalism of the *Age*, having been developed not *a priori* but in support of a particular fiscal policy, has not always been of a pronounced character in regard to other than commercial questions. Moreover, the success of a colonial daily newspaper, catering for a much smaller population than its English contemporary, depends upon the favour of that great majority which relatively is moderate and conservative. Therefore the *Age* never became an illustration of extremity in one direction provoking extremity in the other. The latter distinction was reserved for a weekly publication, the Sydney *Bulletin*, which represents the antithesis of its near neighbour, the *Morning Herald*. Because colonial orthodoxy reflected in journalism was more firmly established in Sydney than elsewhere, that city seems to have been selected as the most favourable centre for the publication of a journal in the interests of heresy.

The new venture was launched about the time when the loyalty which feeds upon the spectacle of a martial and forceful mother country was being reduced to a low ebb by the humiliating exploits of Gladstonian imperialism. Announcing itself as "the national Australian newspaper," and assuming the motto, "Australia for the Australians," it undertook the task of evoking a continental sentiment to supersede provincialism, and an Australian patriotism to supersede colonial loyalty. The specialities of the paper are its style—a grotesque and cynical humour bearing the impress of a single and erratic genius—its uncompromising radicalism, and its violently anti-British tone. Seeing that the genius was not Australian but immigrant, the virulence of his

antipathy, which has been modified of late years, seems to betray an exile's bitterness at least as much as political conviction. Even outside the imperial question the radicalism of the *Bulletin* has appeared too destructive to win the entire confidence of political progressives. The shafts of its cynical derision have been directed impartially against established society, established religion, and "conventional morality." Yet though the *Bulletin* may take credit to itself for a popular tendency to violate those conventions, it cannot claim that it has ever seriously attempted to reconstruct what it has shown no scruples in destroying. In the sphere of politics, on the other hand, its more recent record has entitled it, in the judgment of many, to greater respect than formerly. However that may be, the immoderate spirit of its polemics for a long time tended to defeat its legitimate purpose. For the middle section of public opinion, which ultimately controls the situation in Australia as elsewhere, refused to take the *Bulletin* seriously.

Yet it is absurd to affect indifference nowadays towards a journal which has become nothing less than an imperial institution. For it has attained a circulation which is Australasian and more. To the remotest limits of settlement, in every Australian State, ragged back numbers of the *Bulletin* form the literature of the shearers' hut and the miners' camp. The pink cover is no less familiar in New Zealand, and catches the traveller's eye upon the bookstalls of Manila and Hongkong, Singapore and Colombo. Even farther afield it seems to find a demand which testifies to its unique position amongst colonial journals. It is sent regularly to agencies not only in London, but in San Francisco and Vancouver, and in the principal towns of South Africa, where the influx of Australians during the war may have opened the door to a permanent market for a publication which somehow fits the antipodean temperament. Whatever the explanation, students of the Empire cannot afford to ignore a unique journalistic influence which has expanded over the two southern continents, and along the margins of the Pacific.

Undoubtedly the extraordinary popularity of the *Bulletin* may be attributed largely to the variety of its make-up,

appealing to widely different intellects and interests, and attracting a circle of readers far beyond that which finds mental nourishment or entertainment in its political propaganda. The cartoons and illustrations hold their own with the similar productions of any other country for cleverness. The "Wild Cat" column, despite the characteristic cynicism of the title, has acquired a reputation for reliable and independent criticism of both government and joint-stock finance. "Sundry Shows" and "Sporting Notions" supply the congenial gossip of democracy at play. The "Society" page and "A Woman's Letter" describe the doings of Government House and neighbourhood with a vulgar familiarity, pandering to all the snobbish instincts which simultaneously are denounced in the editorial columns as an evil result of the British connection. A page of "Aboriginalities" collects doubtful anecdotes of aboriginal customs and of Australian natural history. Finally, a considerable space is devoted to the encouragement of Australian literature. Many of the better-known Australasian writers of to-day have come into publicity under the wing of the *Bulletin*. But for the most part the inevitable "Short Story" only exaggerates the seamy side of the "real" Australian life, with a monotony as dreary to outsiders as that of the bush itself; while the native bards seem equally powerless to dispel the impression of a weary continent, and of a people "just glad to live."<sup>1</sup>

But after all, it is the political activity of the Australian national newspaper that gives it its unique individuality, and must account for the greater part of its popularity. Its influence, whatever it may be outside Australia, unquestionably has been growing upon the continent itself. The fact that its republican doctrine seems to have been losing ground steadily has a significance of its own; but also serves to emphasize the progress of its ideas in other directions. From the beginning it has been by far the ablest and most strenuous exponent of the so-called State Socialism, meaning the principles of state responsibility and of nationalization, which have been carried further in Australia than elsewhere. In

<sup>1</sup> Cf. "The Australian," by A. H. Adams, in *Maoriland, and Other Verses*.

the federal movement it played a consistent and leading part, worthy of its claim to represent Australian nationalism. It is conceded generally that no single advocacy contributed more than that of the *Bulletin* to the ultimate victory of the federalists. Its pamphlet, entitled *A Policy for the Commonwealth*, published as soon as federation was assured, already possesses a certain historical interest, since it foreshadowed the lines actually followed later on. The policy of a White Australia, of a nationalized federal capital, of fiscal protection, of preferential trade conditional upon reciprocity, of the amalgamation of State debts, of federal industrial legislation, already has been the policy of the Commonwealth, modified by the exigencies of party government. But at the present time the *Bulletin*, for all its nationalist enthusiasm, cannot conceal the disappointment, over the actual results of federation, which political idealists in Australia share with those who "have made the till their fatherland."<sup>1</sup> As formerly in the United States and Canada, there has arisen a party which seeks to save the old interests of colonialism by keeping up the obsolete notions of provincial sovereignty, in opposition to the federal authority; thereby provoking the national newspaper into a campaign against "State (F)rights," and in favour of "more unification" than that of the existing constitution.

Without being a partisan organ, the *Bulletin* naturally discerns more promise of national progress in the Labour party than elsewhere. But its general attitude of support never deters it from exposing the shortcomings of the Labour platform, especially in respect of fiscal policy. Itself an uncompromising advocate of rigid protection, it has no patience with politicians who ignore the obvious fact that it is illogical, and ultimately disastrous, to ordain an artificial standard of wages, and the exclusion of coloured labour, while permitting the foreign products of low wages,

<sup>1</sup> "There are not a few men of means who have made the till their fatherland, and who are always ready to balance a temporary interruption of money-making, or a temporary financial and commercial disaster, against the self-sacrifice necessary in upholding the honour of the nation."  
—Theodore Roosevelt, in *American Ideals*, pp. 255-6.



or of coloured labour, to capture the Australian home market; or while relying upon the export of food and raw material, the price of which is ruled by world-wide competition, to meet the interest on the national debt. Before federation, the Labour politicians of Victoria were the first to grasp the position, and in other colonies they were showing signs of doing so; but in New South Wales they persisted to the end in their hopeless attempt to enforce the highest rate of wages while refusing protection to home industries. That the attempt had not become wholly discredited was due to a ruinous system of public finance, which the *Bulletin*, alone of Australian journals, always has exposed and denounced with unwearying perseverance.

Briefly, all the Australian colonies, but especially New South Wales, were living on borrowed capital. The official reply, that loans are expended only upon "permanent and reproductive works," will not stand the searching analysis to which the periodic statements of every Treasurer are subjected by their ruthless critic. Apart from the subtleties of accounting, which often suffice to conceal a deficit, borrowed capital is used for the renewal, if not the maintenance, of so-called "permanent works," the cost of which has not been liquidated by any sinking fund. For example, the equipment of railways seems to be included in the official category of proper objects for the expenditure of loans. Yet the original debt continues to bear interest long after the bridge has been washed down to the sea, and the rails, or the locomotive, are rusting upon the scrap heap. Again, when revenue does not balance expenditure, and a loan has been raised in the same year, it is legitimate to argue that the "unemployed" who were engaged to perform unproductive work at the minimum State wage of 7s. per day were paid out of borrowed capital.

The complaint of the *Bulletin* against the provincial Labour politicians is not that they themselves have been officially responsible for these financial crimes, which is not the fact, but that they have been content to hold the balance of power, giving their support in return for certain measures which, at least in a free trade State,

could not be carried out consistently with self-supporting finance. Further, it exonerates them from the charge, often made both in Australia and in England, of having originated the habit of financial malpractice. It argues that their political supremacy is a thing of recent growth, dating only from the nineties, whereas the era of financial recklessness was inaugurated and continued by the great men of the good old days, who sowed the seeds of the harvest which was reaped in the financial crash of the last decade. Thus it holds that the guilt of the Labour members is only that they have countenanced and encouraged the mischief which they found established.

But the *Bulletin* maintains that the federal Labour organization is shaping more favourably than the old provincial parties, and credits Mr. Watson's following with a determination to veto federal borrowing, and to exert the federal authority against further State extravagance. On the other hand, the federal Labour members have not yet satisfied their mentor in the matter of the tariff, albeit protection in their ranks was strong enough to forbid a reduction, during their recent brief tenure of office, of the existing tariff, which is inadequate to the needs of Australian manufacturers. Nor have they made perceptible progress towards the introduction of the Canadian banking system, and the imposition of a federal land tax, by which means, according to the *Bulletin*, sufficient revenue may be procured, not only to maintain an active public works policy without recourse to borrowing, but also gradually to pay off the existing debt. But Mr. Watson's Government did show a disposition to recognise the obligation of national defence, and a determination to uphold the policy of a White Australia. Respecting the latter, the *Bulletin* alleges, despite the persistent denials from Brisbane, that white labour is actually proving equal to the work on the Queensland sugar plantations formerly done by Kanakas, who now are to be repatriated in their island homes.

Perhaps the republicanism of the *Bulletin* is the one feature of its political propaganda which need not be taken seriously. In the days when the journal was launched there

may have been ample excuse for the assumption, now disproved by experience, that Australian nationalism was precluded by the imperial connection. There was the striking precedent of the United States, the ex-colonies, where the most fervent patriotism in the world seemed to be finding its strongest nutriment in traditional hatred of England. Likewise, such force as Canadian nationalism then possessed was drawn chiefly from the sense of antagonism to the United States. Accordingly it might have been inferred, by a congenial spirit, that colonial nationalism could only be originated, not in the love of native country, but in hatred of some other country, preferably the mother country. Descending from the general principle to details, it was obvious that the Empire was a factor in the perpetuation of that provincial habit of thought, and old-world tendency of society, which helped to obstruct the evolution of an indigenous patriotism. Even "that tired feeling" of the aggregate Australian, which the *Bulletin* accepts as a national characteristic, perhaps might be attributed partly to the narcotic of colonialism, as well as to the effect of a withering climate. Again, the enhanced credit of the colonies, and the facilities for borrowing, due to their imperial position, certainly aggravated the temptation to financial extravagance, which rapidly was transforming the imperial connection into the relationship of mortgagee and mortgagor—not the most favourable situation for spontaneous national development. Nevertheless, when the anti-imperial campaign had been carried through two decades, the Australian democracy suddenly betrayed a more fervid and practical enthusiasm for the Empire than at any previous period of its history.

The Australian attitude towards the South African war proved a sore trial to the national newspaper. At first it may have seemed plausible to accept the version of the English pro-Boers, to denounce "Jewhannesburg" and jingoism, to dub the Australian volunteers "Cohentingenters," and to appeal to the "real" Australia, the solid men of the bush and the mining town, to reverse the judgment of the metropolitan crowds. But a difficulty arose when presently the real Australia began to betray the same instinct in the matter

as the cities, perhaps with greater resolution. In such circumstances there was a pitiable inadequacy in the theory of temporary insanity, which was all the *Bulletin* had to offer. Its cartoon, entitled "Drunk!", depicted Australia, in the accustomed guise of the Little Boy of Manly, reeling upon the Sydney wharf, and brandishing his farewell to the departing troopship with an empty bottle labelled "Military Spirit." During the height of the war the circulation of the paper dropped considerably, even public institutions striking it off their lists, but seems soon to have recovered. At a later stage it found ample opportunity for vindictive apologetics, in the reaction hastened by a plentiful crop of military scandals, connected with bushmen "buccaneers," and overcrowded transports; the latter being an illustration of how the imperial Government treated the "colonials" as "dirt" so soon as it had finished with them. Subsequently the not infrequent appearance of these "swashbucklers" in the police courts enabled it to disparage the character of the volunteers as a whole. Then the official boycotting in South Africa of a certain class of Australians—the undesirable residuum left behind out of several thousands—was exploited to create resentment against the British Administration. Finally, the introduction of Chinese labour, antagonizing the special prejudice of the Australian democracy, gave an even better opportunity than in England for the prophet of evil to ask triumphantly if it was not a Jews' war after all.

It seems paradoxical, if not suggestive of insult added to injury, to saddle the *Bulletin* itself with the credit, or the responsibility, for the enthusiasm displayed by Australia in the war. And yet the truest generalization about that enthusiasm is to explain it as the expression of the very national sentiment which the *Bulletin* had set itself to create. It is significant that in Australia opposition to the contingents practically was confined to those provincial Labour politicians who recently had been conspicuous in opposition to federation. Thus nationalism and imperialism are seen hand in hand, and those who resist the latter turn out to be the old enemies of the former. The contingents were the

measure of the success, not the failure, of the cause which was dear to "The National Australian Newspaper." Had colonialism, with its helpless "loyalty," been predominant in 1899, as it was twenty years earlier, neither Commonwealth nor contingents would have emerged to mark the dawn of a nobler century.

The fact seems to be, that the republican prejudice has been relegated to oblivion by the growing consciousness that the Empire, if conducted as a co-operative institution, can be made an invaluable instrument of the progressive nationalism which now is gaining an ascendancy in Canada and Australia; especially in view of the intensified competition which modern nations have to face. Indeed, the *Bulletin* itself has asserted that it "welcomes the British alliance, but detests the British supremacy," and even has suggested as the nationalist motto, "Alliance, not Dependence."<sup>1</sup> If the latter is accepted as the corollary of "Australia for the Australians," it also concedes the ideal of certain present-day English imperialists, whose right to that title perhaps is settled by convention rather than by etymology. They, at any rate, can make allowances for the continued animosity of the *Bulletin*, recognizing that it is difficult, in practical journalism, for reason to prevail against the tradition established by twenty years of anti-imperial crusading. Those who seek to rest a united Empire upon the basis of national patriotism and national sovereignty cannot subscribe the orthodox excommunication pronounced upon an influential journal which has laboured more earnestly, and perhaps more effectively, than any of its contemporaries to foster the sentiment of Australian self-respect—the motive of the contingents. Even upon that memorable occasion a negative imperial service was rendered by the solitary Australasian journal, which pleaded the enemy's cause with a virulent lucidity unsurpassed by the least scrupulous organs of English pro-Boerism: and thereby effectively excluded its own coveted hypothesis—that the Australasian contingents were the outcome of aggressive ignorance. Nor is the cause of imperial defence ill served by the journal which mocks the "frills and gold lace" of the old-world

<sup>1</sup> "The Bulletin," Aug. 10, 1901.

soldier, and protests against the "tribute" of the naval subsidy, only in order to advocate a compulsory militia and a national navy for Australia.

When the cause is deserving, it is sometimes possible to overlook the ugliness of the methods temporarily employed. Undoubtedly, it is necessary to imperial co-operation that the Commonwealth should recover its financial independence. Therefore, if that recovery really is assisted by the continual caricaturing of John Bull as Cohen, the soulless usurer who does business under the sign of the three balls, imperialists need not grudge the persistence of a caricature which has proved powerless to discredit the loftier conception. Again, when the *Bulletin* ridicules the vaunted common citizenship of a "nigger Empire," it is calling attention to certain naked facts which it is necessary for imperialists to face squarely and recognise practically. Again, if it associates the letters "K.C.M.G." with society "crawl" rather than with patriotic instinct, imperialists for their part may sympathize with the Australian dislike of an old-world system which unquestionably exploits the weaknesses as well as the virtues of civilized human nature. For it cannot be denied that the titular reward sometimes has been distributed beyond the seas in accordance with an obsolete conception of "imperial interests."

The *Bulletin* promotes imperial union, meaning neither federation nor unification, exactly in proportion as it succeeds in infusing health and energy into Australian nationalism. Up to a certain point its position in Australia is analogous with that of the Bourassa faction in Canada. In conjunction they represent the noisiest anti-imperial sections of the two foremost colonial nations. Alike they proclaim a special devotion to the cause of nationalism; and alike they are seen striking blindly, through the narrow meshes of perverse prejudice, against the most vigorous and spontaneous manifestation of the very thing which they profess to admire.

On the other hand, unlike the extremists of Quebec, the *Bulletin* does reveal the genuine consciousness of national self-respect; not pretending that patriotism can thrive under the cheap régime of colonial dependence, nor hesitating to

instil the doctrine of individual or sectional sacrifice for the sake of the national ideal. But now that the futility of its anti-British bias is a demonstrated fact, it might reconsider the question whether the method of irritation really helps the healthy growth of the national instinct; and whether its popularity or influence really would be impaired by the abandonment of an attitude which, while it may attract the patronage of mental or moral deformity, is repudiated by the actual leaders of Australian nationalism.

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## APPENDIX C.—“BULLETIN” EXTRACTS

### THE DISEASE CALLED COMMERCE

There are two kinds of commerce, and one of them is a disease. Australia has got the disease kind badly, and the Free Trade Party in Australia worships the disease. Commerce, in the cant meaning of the term, is the profitable or unprofitable shifting of goods over the imaginary streak on a map which marks a political division. Sending goods, even at a profit to all parties concerned, 450 miles from Newcastle to Albury, both in N.S.W., is not commerce in the Free Trade acceptance of the term, and doesn't amount to much. Sending goods, even at a dead loss, three miles from Albury in N.S.W. to Wodonga in Victoria is commerce, and therefore it is the source of all earthly goodness and greatness, the only true test of prosperity, the fulfilment of man's noblest destiny, the root of all progress, and the beginning, middle, and end of things in general. The Cornstalk Free Trade Party says: "Look at our commerce as compared with that of Victoria," and holds that the fiscal problem is settled for good and all. For the one purpose of Progress and Civilisation is to tear much raw material out of the ground and drag it up a plank on to a ship, and to drag much manufactured goods down a plank off a ship. And the country which drags much foreign goods down a plank is Saved, and the one which drags comparatively little raw material up a plank is Lost, and the country which doesn't see that its one ambition should be to drag exports up a plank and to drag imports down a plank is Damned—politically, that is.

. . . . .

And this faith leads to curious results. The Free Trader measures things almost wholly by exports and imports, and regards local industry as nothing in particular by comparison with his fetish—Commerce. If a country hauls out of the ground an extra £1,000,000 worth of raw material, and puts it on board a ship, and pays an enormous price to have it carried by some foreigner to the farthest ends of the earth, that is commerce. And if it pays £3,000,000 for the same material, or an equal amount of similar material, brought back in a manufactured state from the farthest ends of the earth, and also pays a great deal to some foreign ship-owner to carry it back, that is also commerce. The people at the other end of the earth may have got the great bulk of the profits, but the items appear in the trade returns as £4,000,000 worth of commerce, and there is great drinking at the Free Trade banquets about the obvious increase in the country's prosperity under a civilised and enlightened fiscal policy. And if a Protectionist country also digs up £1,000,000 worth of raw material out of its own soil, and manufactures it on the spot into £3,000,000 worth of goods for the use of its own people, and keeps the £2,000,000 worth of employment involved in the manufacturing process for its own people, then it has no £4,000,000 worth of extra commerce to show, and the dreadful results of protection are therein manifested. Yet so far as commerce consists in this kind of exchange—and a vast amount of Australia's commerce does so exist—it is a curse and a disgrace, and an evidence of the nation's lack of enterprise and lack of capacity, and a proof that it is largely confined to the poorest, least intelligent, and most animal of occupations—that of scratching raw material out of the soil and shipping it away to be manufactured by more intelligent communities. If Australia, with its existing population, was more advanced in the industrial sense, it would have less commerce. It would send away less raw material, for it would use more in its own industries, and it would bring in less manufactured goods, because it would make more for its own use. And so far as its exports represent the sending away of its raw material to be made up by other people into goods for its own use, and so far as its imports represent the return of its own or similar raw material manufactured for it by more enterprising races, Australia's commerce is a misfortune and a curse, and the Free Trade policy which seeks to foster it is a curse also.

As already mentioned, there are two kinds of commerce—of external commerce, that is,—and one of them is a disease. Although



the Australian Free Trade Party habitually speaks of this country's commerce and that of Britain as if they were the same thing, there is really very little resemblance. Britain, by successful war, conquest, fortunate adventure, enterprise, and protection, became, early in this century, the carrier of the world. She still holds the position to a great extent, though not in the same proportion as she once did, and she still holds a prominent position as a manufacturing State, though not by any means the position she once did. Britain's commerce consists in loading its own and other people's—mostly other people's—goods, mostly manufactured goods, on its own ships, and carrying them all over the earth. The carriage of these goods is one of Britain's important sources of revenue. Australia's commerce consists mostly in loading its own raw material on other people's ships, and paying other people at great expense to carry them. The one is driving a cart and being paid handsomely for it. The other is sitting in a cart and paying heavily for it.

The producer of raw material is, on the whole, the worst-paid of the industrial workers. Yet Australia must remain in a great measure this Gibeonite among toilers—or else it must damage that beautiful commerce which is the Free Trader's Ark of the Covenant. To the Free Trader there is a great and sacred joy in the fact that New South Wales, in proportion to population, exports and imports more than Victoria. He is glad to his very heart because New South Wales makes less of its own clothes and boots and hats, and underwear and ironwear and leatherware, and other things, and therefore uses less of its own raw material in its own industries, and so has more of them to haul up a plank on to a foreign-owned ship at a wharf—which is commerce. And he is overjoyed to the bottom of his soul because, for the same reason, it has to drag more clothes, boots, hats, shirts, ironmongery, leather goods, &c., down a plank off a foreign-owned ship at a wharf—which is also commerce. His great ambition is to be, in proportion to population, the greatest wharf-lumper on earth—a tremendous national wharf-lumper for other nations' ships. It is his ideal to be an ox-like beast of burden on a quay—not his own ox, even, but the ox of the British and French and German shipowner, on the quay that was built with money borrowed in England. He wants to spread the wharf-lumping complaint all over Australia, and he is moved to profound pity for other communities which don't wharf-lump quite so much as he does. From "A Policy for the Commonwealth," 1900.

In the following table the Australian figures are mostly taken from the *Year Book of Australia*; the others from the *Statesman's Year Book* (Maoriland is omitted for lack of information, and as regards Westralia, information is from Westralian official publications):—

*Interest on Public Debt per Inhabitant per Annum.*

	Total Interest.	Interest not covered by revenue from Public Works (to be made good by Taxation).
Queensland . . .	£2 17 10	£1 16 6
Tasmania . . .	1 16 11	1 8 10
S.A. and Northern Territory . . .	2 14 4	1 3 0
N. S. Wales . . .	1 18 5	17 4
Victoria . . .	1 11 10	10 5
Westralia . . .	2 6 9	12 0
Commonwealth . .	2 0 11	18 5
France . . .	1 4 6	
Spain . . .	17 9	
Portugal . . .	17 6	
Belgium . . .	17 1	
Italy . . .	14 3	
Britain . . .	12 10	
Roumania . . .	11 8	
Holland . . .	10 10	
Greece . . .	6 8	
Servia . . .	6 3	
Russia . . .	5 8	

All the other countries (the list is too long to print in full) have a smaller interest-burden than Russia; they taper down till they come to the United States, with a total interest bill of 1s. 7d. per inhabitant per annum.

The amazing circumstance, therefore, which Australia has to face is that the burden of its *unproductive* debt—the debt, interest on which has to be raised by taxation—is *greater in proportion to population than the total debt burden, productive and unproductive combined, of any country in the world, France only excepted*. Yet almost all the foreign countries in the above list have reproductive public works—railways, telegraphs, telephones, State lands and

forests—just as we have. If the revenue from these sources were deducted from the respective interest bills, the burden of the unproductive debt of almost all these foreign countries would be much smaller even than the above list shows. When Australia, with its great land revenue to spend, and with no wars and no very costly army or navy, has contrived in half a century to build up an *unproductive* debt which amounts to more per head than the whole debt (war debt, debt incurred for railways and telegraphs, and every other kind of debt) of almost every other country, it is indeed the prize shocking example of the globe.—*March 31, 1904.*

In short, when the daily press tells Australia to depend on the development of its magnificent natural resources, and on trade and the influx of capital, for the advancement of the country, the short and simple answer is that it is already the most horrible example of these things that the world can show. As regards the great art of living on the production of raw material, this is how this country already compares with others (Coghlan's *Statistical Account of Australia and Maoriland for 1902-3*, page 916):—

	Value of raw produce produced annually per inhabitant.
Australasia . . . . .	£21 12 9
Canada . . . . .	16 5 6
United States . . . . .	14 14 0
France . . . . .	11 11 6
Denmark . . . . .	10 4 6
All other States . . . . .	Less.

In proportion to its population, therefore, our country has already done more in the way of developing its great natural resources, and promoting trade and the influx of capital, than any other. And the curious result is that, among the great new countries of the world, it is the only one which isn't attracting population from outside to any extent worth mentioning. Also among the world's great countries, old and new, it is the only one where the aggregate wealth per head is diminishing, where the average income per head is growing less—the only one which is tottering on the verge of national bankruptcy, and the only one which is so wedded to the influx of capital to develop the great natural resources of the country that it can't build a culvert till it has borrowed the money abroad, and thus created an influx.—*December 1, 1904.*

## AN ENGLISH VIEW OF PREFERENTIAL TRADE.

If certain recent cablegrams concerning the attitude of England on the question of Preferential Trade represent in any sense the real English feeling on the subject, then Preferential Trade is a question which will have to be dropped till England gets into a more reasonable frame of mind. Its present attitude, if the cables in question are reliable, is one of such blind selfishness, and such hopeless inability to understand that there can be any side to a question save the English side, that the case is past remedy. Witness, for instance, this message—one out of a number:—

“LONDON, *Thursday Afternoon*.—The Labour Representation Committee has written to Mr. J. C. Watson, expressing the hope that the Australian Labour Party will not support a policy which organised labour in the motherland considers surrounded with most malign influences, and certain to bring strife where there is now harmony, and opposition where there is now fraternal feeling.

Australian preference is illusory, the committee says, *since it retains the monopoly of its own markets*. If these markets were opened freely to British imports, then there would be some show of reason and justice in a campaign to force Britishers to benefit Australians by submitting to a high cost of living. The experience of European labour is that Protection only forges more chains for the wage-earners.”

The Labour Representation Committee thus starts its argument with a lie, and builds up its reproaches on that lie. Australia last year bought British merchandise to the value of £19,817,127—in other words, in proportion to population, it was nearly, if not quite, the best customer Britain possessed on earth. And the Labour Representation Committee calls this enormous admission of British merchandise a system whereby we retain the monopoly of our own markets. In return, Britain only bought from us merchandise to the value of £14,159,787 (these are the values at this end, but as any difference between them and values in Britain is accounted for by freights paid to British shipping companies, the values at this end are the ones to be considered). Britain, then, is a very bad customer—one that buys little from us compared to the amount it sells us, and gives insolence into the bargain. On the other hand, foreign countries bought from us nearly £2,000,000 worth more merchandise than they sold to us, and it was the balance due to us from them that in part enabled us to pay the rapacious Britisher

for his goods—seeing he wouldn't take goods in return. At present we admit British and foreign goods on the same terms; Britain also admits Australian and foreign goods on the same terms. We practice some measure of Protection from purely selfish motives, because we think it good for us; Britain practices free trade from purely selfish motives, because it thinks it good for itself. There is no obligation on either side—except that Britain should be darned grateful to us, because it is allowed to unload on our wharves from British ships nearly £6,000,000 worth more goods annually than it takes in return, and it gets the balance in gold—the gold it requires to buy Yankee “notions” with. But *Britain demands that we shall give it a tariff preference, and get no tariff preference in return*; that, while we already buy far more goods from Britain than Britain buys from us, we shall increase our purchases and make the one-sided bargain still more one-sided. It demands that we shall injure our good foreign customer, so that we may be even more kind than at present to our bad British customer—and take the risk of our good foreign customer retaliating. And, in addition, the Labour Representation Committee exports to us lies and insults—it describes a country which buys, and pays for, more British goods in proportion to its population than probably any other on earth as one which “retains the monopoly of its own markets.” This kind of Britisher is too hopeless to be worth arguing with.—*October 13, 1904.*

#### THE NAVAL AGREEMENT OF 1902.

From whatever point of view—imperial or anti-imperial—the scheme is considered, its only logical defence lies in the theory that Australia is a poor, forsaken country, without administrative brains, courage, enterprise, or intelligence, not fit to have any dignified part in its own naval defence, not to be trusted with any weapons lest it should misuse them, worthy only to drudge for the money which a higher and more capable power shall spend, and to provide the lollolly boys, the slushes and the deck-swabbers, whose efforts a higher power shall direct and control. . . . The alternative to the naval tribute, proposed by Mr. Barton, is the expenditure of a like sum of money, or, if necessary, a much larger sum of money, on an Australian navy, which would be organised on the same lines as the Australian army, and would probably be, for some time at least, commanded by a British admiral, and to a very considerable extent officered by Britishers. This navy would, in times of peace, be used

as a training squadron for Australian naval men. In times of war it would be available for the defence of Australia, and, there is no doubt, for the assistance of Britain in other waters, if that were called for. The service to the Empire in merely maintaining the coaling and victualling stations in these waters, in providing and keeping up a base for the British forces, would be immense. In addition, there is not the slightest doubt, while the present temper of Australia continues, that it would be available as a volunteer fleet to assist Britain abroad. Further, by setting up a standard of independent, though sympathetic organisation, it would give a standard of comparison and of emulation now wanting. In the South African War, Australian soldiers were able to give valuable points to British Tommies in cow-stealing, farm-burning, and concentrating, as well as in other and more dignified branches of the art of war. It is reasonable to suppose that an Australian navy would, like an Australian army, develop points in tactics and in management which would be of value to the Britisher. The Lords of the Admiralty are supposed now to be perfect—as the War Office was supposed to be perfect five years ago. But it is possible to imagine that there are faults in the navy, as there were in the army; that a fine tradition has been allowed to congeal into a dead and apathetic routine, and that a naval war would show as alarming faults in Britain's sea-power as the last campaign showed in its land forces. The payment by Australia of £240,000 a year would do nothing to correct these faults, if they do exist, but the gradual evolution of an Australian fleet, based on the British model but not bound by sacrosanct tradition to follow that model in every detail, would provide an invaluable standard of comparison and of criticism. The free and easy Australian soldier has had his reforming services to the British army very freely acknowledged. . . . It is more than possible that with the growth of an Australian navy a future generation of British might be expressing equally devout thanks for free-and-easy Australian naval men.—July 16, 1903.

#### THE NATIONAL DEFENCES

*Efficient land defence* would be secured by (1) training every schoolboy in elementary drill and rifle shooting; (2) adopting the Swiss militia system in its entirety, for the subsequent training, *i.e.*, subjecting every able-bodied male to sufficient service with the colours to fit him for campaign work at any time; (3) instituting a small permanent force of experts, artillery officers, engineers and

other instructors to act as tutors to the citizen levies. There should be no payment for military service except to the small cadre of experts. Every male citizen would be expected, as the price of the State's protection, to give a few months of his life to military training. Officers should be appointed without any regard for their social position, but purely in respect to their military capacity. Finally, a necessary feature of a complete system of defence would be the establishment of small arms factories, arsenals for the manufacture of explosives and heavy ordnance, and warship building-yards. This seems to be at first blush an extravagant programme. That is because Australians have been so accustomed to half-measures and small expedients, and so inured to the idea that they are a poor, unkempt, feckless people, able to do nothing for themselves, and forced to borrow money even to build a gaol wherein to insert their drunks and pickpockets. In real fact, it would call for the spending of not so very much more money than is now wasted. The greatest expenditure would be of courage and energy, and they grow with the spending, like the meal in the widow's cruse. Once it is recognised that the duty of every man is to assist in the defence of the country which shelters him; that for an army nothing else is necessary but men, discipline, and arms; that feathers, frills, gaudy staff-officers, and even uniforms are not essential; that to pay a man for training himself to defend himself is as absurd as paying him to live; and most of the difficulties vanish. Even the economic loss caused by the withdrawal from reproductive work of a certain proportion of the male population each year would have its compensation in the betterment of physique and moral fibre springing from the period of discipline and exercise.

The organisation of the defence force on citizen militia lines has this additional advantage, that, whilst giving the best security in the most economical form from foreign attack, it likewise safeguards the community from the internal dangers of militarism. When there is no military caste, but every man is a soldier, there is no possibility of the army being used as a means of despotism, for the army would be the people. Nor are those lesser dangers to society, which follow the segregation of large bodies of men into camps for periods stretching over many years, likely to arise under a citizen militia system. Every man would be a soldier, but not so much of a soldier as to cease to be a citizen or to lose the restraint of family ties. . . . The *Bulletin* hopes to see the next Radical Administration grapple with this subject seriously, both as regards land and sea defences. With wise statesmanship a very effective policy can be carried through

without crushing cost. All that is needed is courage to clear our minds of preconceived prejudices, and to recognise that it is useless to follow blindly the precedents set by England, whose circumstances are entirely different, and whose system of defence is very far from perfect.—Nov. 10, 1904.

Thus J. A. (Brisbane Chamber of Commerce big-wig) in a recent *Courier*, "It is possible that in the event of a great war involving England we may have to rely on the Japanese fleet for protection to our commerce, and for the retention of our islands in the Pacific, and in such a case it should be apparent, even to the average Australian legislator, that our present position would be absolutely untenable."

Wherefore J. A. recommends, not (as might be supposed) the building up of an Australian navy for our own protection, but the relaxing of our restrictive immigration laws—for fear of offending the Jap, who may have to defend us some day. . . . It is hard to distinguish nowadays between the voice of Plutocratic Fat and the squeal of abject cowardice.—June 7, 1902.

#### THE WHITE RACE INSTINCT

A correspondent writes:—

"I understand that the exigencies of a Labour policy and of a 'White Australia' do not permit of justice being done to the Japanese nation, and do not tend to hasten Whitman's 'Solidarity of Races.' As Wells observes: 'The altar of the modern God, Democracy, will call aloud for the stronger men.' Certainly, I would rather have a *cultured* Japanese for a son-in-law than, say, an English butcher. The latter is centuries behind the former, mentally and physically, although the butcher may be a fine white animal." Which is a fairly strong statement of the case against a "White Australia." It was some Conservative, eager for cheap, reliable, household slaves, or some capitalist, anxious to make profits out of servile labour, who, knowing his own selfish motive, invented the lie that the White Australia aspiration represents "the selfishness of the working classes." The misstatement has become a popular one; it is even believed to some extent now by the workers, who, not comprehending their real motive (which is an instinctive one, or a transcendental one, whichever phrase the reader pleases) are prepared to agree that it is the fear of the competition of coloured labour which is the sole cause of their antagonism to an immigration of coloured races. As a matter of truth, it is something far different



—the instinct against race-mixture which Nature has implanted to promote her work of evolution. The white race, having developed on certain lines to a position which promises, if it does not fulfil, the evolution of a higher human type, has an instinctive repugnance to mixing its blood with peoples in other stages of evolution. It was this instinct which evolved . . . every high type of animal life from a lower. Once a type has got a step up it must be jealous and “selfish” in its scorn of lower types, or climb down again. This may not be good ethics. But it is Nature. The question doesn’t necessarily involve any issue of individual superiority, or even of race superiority in any but the ethnological sense. The Jap may be kinder, better, purer than the white Australian. The Kanaka, living his natural life under the palms, is emphatically a wiser, more reasonable, more philosophical being than the white man, working feverishly to-day to get food so that he may work feverishly to-morrow, and having little *real* pleasure, only certain opiates and delusions of pleasure,—tobacco, alcohol, music, and so on. But the Caucasian race, as a race, has taken up the white man’s burden of struggling on towards “the upward path,” of striving at a higher stage of evolution. It would certainly be more pleasant for its members if they took to the lotus-eating life of the Kanaka, or the submissive passive life of the Asiatic. But, the choice has been made by Nature rather than by man. The Caucasian, with his passion for liberty, for individuality, bears the banner in the van of humanity. If he were to stop to dally with races which would enervate him, or infect him with servile submissiveness, the scheme of human evolution would be frustrated. And that’s why the sane, right-thinking white man instinctively objects to all mixture with the coloured races.—July 12, 1902.

A few weeks ago news reached Australia that the British Government had vetoed the Queensland Act, providing that State aid should be given to certain sugar mills, with the condition that no coloured labour should be employed therein,—in other words, that the Government, as the party who found the money, and was therefore the virtual employer, claimed the right, like any other employer, to engage only white workers if it felt that way inclined. Now an explanation comes by cable :

“Mr. J. Chamberlain, the Secretary of State for the Colonies, in the House of Commons last night, in answer to a question as to the reason of the royal assent being refused to the passing of the Queensland Sugar Works Guarantee Act Amending Bill, said that the Imperial Government considered that the Queensland Bill proceeded

on objectionable grounds. The principle of the policy of disqualification was based solely on the place of origin of coloured labour, and excluded the Indian subjects of Great Britain solely for the difference of race and colour. Moreover, the disqualification was offensive to the Japanese, who were placed in the category of Asiatics subject to the bill, regardless of their civilisation."

What a clumsy lie! Australia didn't care whether the Asiatic was born in Asia or in Sheol. It doesn't care whether he is black, or brown, or bright-green with red feet and a blue stripe down the back. So far from excluding the Asiatic solely on account of his race and colour, neither his race nor his colour have anything to do with the matter. Australia objects to the whole Asiatic, African, and Kanaka tribe because they work for wages on which only a person far lower in the scale of civilisation than the white Australian can live, therefore, where they are numerous, the white man, in order to get work, has to come down to their wage-level, and, in consequence, to their civilisation level. It objects to them because they introduce a lower civilisation. It objects because they intermarry with white women, and thereby lower the white type, and because they have already created the beginnings of a mongrel race that has many of the vices of both its parents and few of the virtues of either.—June 22, 1901.

"The white man never will work in any country where he can get a black man to work for him. . . . What they say over there is that no matter how good a worker a white man may be when he arrives in South Africa, he very soon ceases to work himself, and gets the black man to work for him." . . . There is plenty of good evidence in support of this view. . . . While the nigger was available the white man did this even in Kentucky and Virginia, which are both colder on the average than Melbourne. . . . Also, he does the same in Cape Colony and Natal, which are cooler on the average than New South Wales. . . . The rule appears to be that where a nigger is available the white man abandons to him most kinds of hard manual labour. It becomes unusual for the white man to do that kind of labour, then almost disgraceful; then the theory arises that owing to the climate it is impossible. So cold bleak Kentucky and Virginia became black man's countries, where the white man couldn't possibly work, while in the frightful summer heats of Arizona and South-East California . . . the white man has always worked and thrived.—July 27, 1901.

## CHAPTER X

### NATIONALISM IN TARIFFS

#### (1.) FISCAL POLICY BEYOND THE SEAS

IN the self-governing colonies, as in the leading European countries, fiscal policy has been influenced by political considerations as well as by economic theory. The utility of an embracing and protective tariff, as a means of creating national sentiment and political unity, has been recognised in Canada and Australia no less than in Germany or Italy; and already the separatist sentiment thus fostered determines the limits of any imperial fiscal system, such as is now advocated both in England and beyond the seas.

Owing to geographical conditions the fiscal policy of Canada was affected by political considerations earlier than that of Australia or New Zealand. The withdrawal of the preference long enjoyed by the colonies in the British market was compensated, for Canada, by the treaty of reciprocity with the United States (1854). But when this treaty was terminated by the Americans, in 1866, a staggering blow was dealt to Canadian trade, which by that time had adapted itself thoroughly to the American market. In the prevailing opinion the whole question of the Canadian future was involved. It was notorious that free access to American markets might be secured at any time by the transformation of the Canadas into States of the American Union. To the greater part of the agricultural and commercial community "annexation" seemed then, and for long afterwards, to be the only means of securing the market facilities in default of which no development of Canadian resources could take place. The fact that an alternative policy was discovered

and adopted was due, not to any Canadian national sentiment, which then hardly existed, but to the faith and energy of the old Loyalist instinct, which had been cherished by descendants from the exiles of the American revolution. The counter move to the demand for "annexation" was the movement towards the confederation of the provinces; and, when at length that was accomplished (1869), the inauguration of a protectionist system significantly called the "National Policy." It was the hope of Sir John Macdonald's party that these two measures in conjunction eventually would make the industry and trade of the Canadian people, like that of their American neighbours, largely independent of foreign markets: by creating manufacturing centres to supply the needs of the rural population, and in turn affording the farmers urban markets within their own territory.

In a new and sparsely populated country protection of manufactures inevitably entails hardships, in the form of high prices for a considerable period, until the home market becomes large enough to warrant the organization and equipment of manufacturing industries upon the modern scale, which is essential to cheap production. Accordingly it devolved upon the Canadian federalists to reconcile the people to the new system by emphasizing the idea that the National Policy was one to be judged by its aims and tendency, rather than by its immediate effect; and that the attainment of a self-supporting national existence was a worthier ideal than the betrayal of the strenuous past to the American annexationists. Nevertheless, from a commercial point of view the National Policy was a palpable and doubtful speculation, involving present hardship without any assured prospect of ultimate success; whereas commercial union with the United States connoted the certainty of immediate and lasting prosperity. Under such circumstances the decision of the Canadian statesmen, and the acceptance of the National Policy by the Canadian people, deserves to rank high amongst the examples, increasingly rare in modern history, of material wealth being rejected deliberately for the sake of a patriotic ideal.

Needless to say, there was a party which was not prepared to accept the policy of Canadian nationalism upon the

necessary terms of commercial sacrifice. If in England, where patriotism is fortified by the proud tradition of centuries, rural prosperity has been sacrificed deliberately to foreign commerce, it is not surprising that in the Canada of thirty years ago there was a free-trade party to which new-fangled nationalism was nothing in the scale against the quick realization of material wealth. Nevertheless, during the eighteen years of Sir John Macdonald's premiership Canadian national sentiment, popularly identified with the National Policy, became a force against which the commercial and cosmopolitan precepts of the Manchester school were discharged in vain. Towards the end of the eighties a section of the Canadian Liberals deemed that the time was ripe for a determined campaign in favour of commercial union with the United States. The opportunity lay in the circumstance of severe industrial and commercial depression, which was attributed to the National Policy. A League was formed under the presidency of a famous English Liberal, Mr. Goldwin Smith, and an active agitation was started,<sup>1</sup> with the assistance of American sympathizers. Though some of the leaders of the movement seem to have persuaded themselves that commercial union was not a step to political union, others, more candid and courageous, accepted the standpoint of the newspaper which was the principal organ of the enterprise :

"A customs union is favoured as a basis of settlement by Mr. Bayard, by leading men in Congress, and by the principal American journals without exception. That it would benefit Canada is a fact which no one that we know of . . . has ever doubted. The only objection to it from this side of the line is that it might endanger the British connection ; but let us seriously ask ourselves if a people situated as we are in this controversy can afford to be swayed by sentiment."—*Toronto Mail*, April 26, 1887.

The allusion to the British connection illustrates a Canadian mode of expression which seems to have misled the

<sup>1</sup> A reliable account of Liberal fiscal policy in Canada, written from a Liberal standpoint, is given by Mr. J. S. Willison, formerly editor of the *Toronto Globe*, in his book *Sir Wilfrid Laurier and the Liberal Party*. (Morang, Toronto, 1903.)

commercial-unionists of that time, as it has frequently misled English opinion. Throughout the controversy, supporters of the National Policy expatiated upon the risk to the British connection, as though that was the supreme object of Canadian politics. Such language had become traditional after three generations of United Empire Loyalists had taken a prominent part in Canadian public life. To some of the latter, perhaps, there was no more sacred object than the British allegiance for which their forefathers had suffered. But the National Policy already rested upon a wider foundation, which itself had helped to create. It was supported by many who, without the Loyalist tradition, or the racial conservatism of Quebec, felt the new instinct of an indigenous patriotism, Canadian rather than provincial or continental. Their inarticulate feeling was that the Canadian provinces, flouted by the mother country and threatened by the adjoining republic, should become in due time an independent nation, working out its own destiny in its own way. They too were staunch adherents to the British connection, because the neighbourhood of the United States made their ideal incompatible with isolation. But if some of the older generation were imperialists first and nationalists afterwards (having welcomed the National Policy as the only means of avoiding the very fate which their forefathers had escaped) at any rate the rising generation, in whose hands the future lay, were nationalists first and imperialists in consequence. Thus, although attachment to the British connection continues to characterize Canadian utterances, the motive power has changed into a Canadian patriotism, which exerts an influence upon imperial questions perplexing to those who still conceive loyalty to be the predominant inspiration. So in the agitation for commercial union Mr. Goldwin Smith and his followers, who thought they were fighting the decaying imperial sentiment of a colony, in reality had antagonized the younger and more formidable force of Canadian nationalism.<sup>1</sup>

<sup>1</sup> In a telegraphed report to *The Times* of an address on "Canada's Destiny," delivered by Dr. Goldwin Smith to the Canadian Club at Ottawa on November 12, 1904, he was made to say that British statesmen of former days "looked upon the colonies with contempt, and had mean

It was soon apparent that the Canadian people absolutely rejected the principle of a North American Zollverein; just as they rejected the principle of a British Zollverein at the Jubilee of 1897, ten years later. The Conservatives were on impregnable ground when they argued that the Dominion could not become part of the United States for tariff purposes without ultimately sacrificing political independence. The loss of revenue from the abolition of the border Customs duties could not be met except either by direct taxation, which was recognized as the most burdensome form of taxation, or by a pooling arrangement with the American Government, which would make Ottawa a dependency of Washington. From every point of view the adoption of the Zollverein would place the weaker partner at the mercy of the stronger. The common tariff would be framed to suit the ruling American interests. The infant industries of Canada would be strangled, and a foreign country would be given a preference over the mother country in the Canadian market. Altogether the scheme seemed to preclude the prospect of an independent Canada, either within or without a united Empire.

Realizing the hopelessness of the position, the official Liberal party dissociated itself from the extremists, and put forward a policy of "Unrestricted Reciprocity" with the United States, instead of commercial union, as its platform for the general election of 1891. The modified policy was designed to soothe nationalist apprehensions. The Customs houses along the international boundary were to be maintained, if only for the sake of a Canadian revenue, but the utmost freedom of trade compatible with political independence was to be arranged with the United States. However, ideas of British destiny." We understand that what Dr. Goldwin Smith actually said was precisely the reverse. He especially defended British statesmen of former days—Cobden and Bright—against any such interpretation, asserting that nationality, to which they looked forward for the colonies, was at least as high an ideal as perpetual dependence.—*The Times*.

If "nationality" was the elder Liberal ideal for Canada, it is curious that Dr. Goldwin Smith should have tried for years to persuade her to commit national suicide by entering the American Union.

the situation still gave an overwhelming strategic advantage to the Conservatives. It was easy for them to fasten upon the term "unrestricted," and to interpret the new phrase as a mere euphemism for commercial union. The argument was enforced by the avowed preference of a few prominent Liberals for the more thoroughgoing policy; and by the discovery that certain publicists, and others who were advocating the official compromise, were privately expressing the hope that it would prove a step towards commercial union. Finally, the veteran Conservative leader played a trump card by declaring that his own party was prepared to enter into negotiations for a commercial treaty with the United States, so as to secure whatever was really practicable in that direction. He was able to point out that every measure of reciprocal trade hitherto obtained by Canada had been the work of a Conservative Government, including the treaties of 1854, 1870, and 1888; and expressed his belief that "there was room for extending our trade on a fair basis, and that there were things in which we could enlarge our bounds without in any way infringing on the National Policy." However, it appeared afterwards that the Conservatives still clung to the traditional Canadian policy, which interpreted reciprocity as meaning only the mutual admission, duty-free, of natural products; whereas the Americans wanted better terms for the admission of their manufactures. Accordingly nothing came of the proposal, which the Liberals denounced as unscrupulous electioneering.

The decisive victory gained by Sir John Macdonald in this his last campaign was the more striking in view of the protracted term of office which his party already had enjoyed. It impressed the lesson upon the Liberals that there no longer was any room in Canada for a political party which seemed indifferent to the national idea. Further, the opposition party itself contained many who at heart were thorough nationalists, but whose faith in the abstract theory of free trade had blinded them to the actual necessities of the Canadian economic situation. They had professed to believe, against the unvarying teaching of modern experience and contemporary practice, that free trade would not pre-



judice the establishment of industries for which Canada was adapted by her natural resources; and they had shirked the question of national revenue. To this section a weighty protest had been addressed by the much-respected ex-leader of the party, Mr. Edward Blake, who argued that "unrestricted reciprocity" in practice meant commercial union, which involved political union, and therefore ought not to be advocated except by avowed annexationists.<sup>1</sup> Mr. Blake had been succeeded in 1887 by Mr. (now Sir Wilfrid) Laurier, to whom pan-Canadian nationalism already had become the supreme political motive. Although his academic sympathies were with the elder English Liberals,<sup>2</sup> he was not slow to recognize the lesson of 1891. Under his leadership the Liberal party set to work to reconstruct its fiscal platform. It definitely repudiated the intention of introducing absolute free trade, which their opponents had been warranted in attributing to them owing to the persistent promulgation of the extreme doctrine by certain Liberal journals and politicians.

"The intention of the Liberal Party," wrote the Liberal leader, "is not and never was to establish absolute free trade in this country. . . . While fully recognising the superiority of the British system of freedom of trade as an abstract principle, the Convention came to the conclusion that, under the existing conditions of our country, the fiscal policy best adapted to its requirements, its economic situation, its enormous financial obligations, is a revenue tariff; that is to say, a tariff levying our revenue from customs duties, the basis of which would be the amount necessary to carry on the business of the country. . . . A revenue tariff, being based upon the fixed charges of the country, and not, therefore, subject to fluctuation and alterations made to suit and please now one interest and now another, would establish those conditions of stability and permanency which, experience has shown, are essential to the security and prosperity of the manufacturing interests."<sup>3</sup>

Nevertheless, when the Liberal Party came into office, in 1896, its first action was to appoint a commission to investigate the needs of every industry, as the preliminary to tariff

<sup>1</sup> Willison, vol. ii. pp. 172 *seq.*

<sup>2</sup> Cf. p. 133.

<sup>3</sup> Willison, vol. ii. p. 284.

revision. Finally, in the following year a Liberal tariff was introduced which, while it made reductions in certain directions, went far to recognize the principle of adequate protection for home manufactures. For example, the import duty on cotton goods was actually increased, to counteract the competitive effect of the British preference. So the National Policy was vindicated, and the blight of Cobdenism ceased to threaten the natural growth of Canadian industries.

The striking feature of the new tariff was the preference of 12½ per cent. which it accorded to British imports. At first the principle adopted was that of a maximum and minimum scale of duties, the latter being applicable to the goods of any country which admitted Canadian goods on equally favourable terms; direct preference to British goods being precluded by British commercial treaties with Belgium and Germany. But presently those treaties were denounced, and the preference, now increased to 33½ per cent., was made definitely imperial. As a political move the new departure was a master stroke. First and foremost, it refuted the Conservatives, who had made much capital out of the "veiled treason"<sup>1</sup> of the commercial-unionists; and gave the Liberals at least as good a national status as their opponents. The Conservatives for a long time past had been advocating preferential trade with Britain, but only on condition of reciprocal preference; whereas the Liberals now had actually granted a preference, out of sheer "gratitude" for the advantages of the imperial connection.

It is important to emphasize the domestic political aspect of the Liberal preferential measure, owing to the misrepresentation which it invites in England from those who affirm that the Canadian Liberal party discountenances reciprocity with Britain. Having attained their immediate object, namely, the discomfiture of the other side, the Liberals presently took pains to clear themselves from the imputation of having prejudiced the prospect of securing reciprocal concessions. They claimed to be more practical in that matter than the Conservatives, representing the free grant of the preference as

<sup>1</sup> The expression was used by Sir John Macdonald in his election manifesto in 1891.

the surest way of bringing the British public round to the idea of reciprocity.<sup>1</sup> They could point out that the Conservatives, by waiting for the conversion of Britain to protectionist views, had not yet advanced the question a single step. As to the general principle, the Liberals long had been identified with the policy of reciprocity, and had sought to establish it with the United States only because it was impossible to establish it with free-trade Britain. This contention, however inaccurate as a generalization of the party attitude, was borne out by the earlier speeches of Sir Wilfrid Laurier himself. As far back as 1887, one of the first speeches of the new Liberal leader "indicated his distinct preference for a trade alliance between Great Britain and her colonies over a commercial union with the United States."<sup>2</sup> Again in 1896, he had definitely committed himself in the following words:—

"That practical statesman, Mr. Joseph Chamberlain, has come to the conclusion that the time has come when it is possible to have within the bounds of the Empire a new step taken, which will give to the colonies, in England, a preference for their products over the products of other nations. What would be the possibilities of such a step if it were taken? We sell our goods in England, we sell our wheat, our butter, our cheese, all our natural products, but these have to compete with similar products from the United States, from Russia, and from other nations. Just see what a great advantage it would be to Canada if the wheat, cheese, and butter which we send to England should be met in England with a preference over similar products of other nations. The possibilities are immense."<sup>3</sup>

When Sir Wilfrid Laurier returned to Canada from the Jubilee of 1897 the Conservatives attacked him for having rejected an offer, which they alleged to have been made on that occasion by the British Government, of a reciprocal preference for Canadian wheat. He denied that any such offer had been made, and pointed out that Mr. Chamberlain's only proposal was for complete free trade within the Empire, which would preclude even a revenue tariff for the Dominion,

<sup>1</sup> Cf. Willison, vol. ii. pp. 297-8.

<sup>2</sup> *Ibid.*, vol. ii. p. 140.

<sup>3</sup> *Ibid.*, vol. ii. p. 288.

and therefore was inconsistent with the established fiscal policy of both Canadian parties. He argued, however, that a modification of the British ultimatum was rendered more probable by the Liberal policy of low duties than by the Conservative policy of high duties. When in 1902 the shilling corn duty was restored in England, Canadian hopes ran high, only to be shattered by its abolition in the following year. They were revived again when Mr. Chamberlain, having recognized the impossibility of a Zollverein, opened his campaign in favour of such a measure of tariff reform in the mother country as would give an opening for reciprocity within the Empire. When the British anti-reformers began to quote the Canadian Liberals as having justified the existing preference by the argument of "gratitude" without expectation of reciprocal concession, the Government thought the time had come to make it plain that it was not committed irrevocably to the policy of one-sided preference. Introducing the Budget of 1904, Mr. Fielding, the Minister of Finance, tried to make the Canadian position clear. He said—

"that the two great political parties in Canada were practically a unit in favour of preferential trade; and, as Mr. Chamberlain had practically taken up the Canadian policy to that extent, Canadians were heartily in accord with him. As, however, the question had become one of party controversy in England, the Canadian Government naturally did not feel free to take any part in it. . . . Opponents of the Government had argued that no preference should be given to Great Britain without a return. The Canadian Government's view was that Canada should grant the preference *and await developments*. *Canada's action respecting the preference might in the future be influenced by the course of events in the mother country.*

"*For the present* Canada adhered to the preference, but must be free to modify its details as occasion might require."<sup>1</sup>

As to the last proviso, this Liberal Budget did modify the details by placing a minimum duty of 30 per cent. on imported woollens, and also duties on china and on cordage. On the other hand, a few duties were decreased, and molasses

<sup>1</sup> *The Times*, June 8, 1904.

from British possessions were placed on the free list. The latter item was expected to benefit the West Indies, which already had been gainers by the tariff war between Germany and Canada. During the previous fiscal year Germany sent Canada 174,000,000 lbs. of sugar. But a surtax had been imposed upon German sugar, as a measure of retaliation, which already had diverted the entire trade to the West Indies.<sup>1</sup>

In the General Election, towards the end of the same year, the Canadian Liberals insisted that they were as eager as their opponents to take advantage of the new situation which Mr. Chamberlain was striving to create in Britain. Thus Sir Wilfrid Laurier:—

“I tell you, my fellow-countrymen, that the Government of Canada, as constituted to-day, is ready to go and make a treaty of commerce with Great Britain to the extent of preference<sup>2</sup> as soon as the British people are ready to give a corresponding preference. The answer is no longer in our hands, but in those of the English people. With good will, and a determination to give common ground, an understanding can be reached.”—Speech at Guelph, Oct. 12, 1904.

Apart, however, from party politics, there were national considerations in favour of the Liberal fiscal policy as regards preferential trade. The defeat, in 1891, of commercial union with the United States had been the signal for a redoubled effort to develop the British market as a permanent substitute for the American market; and this policy, begun by the Conservatives, was continued energetically by the Liberals. By improved steamship communications, including especially the provision of cold storage and a careful study of the market, a great increase was effected in the volume of Canadian exports to Britain. Within ten years the United States had definitely given place to the mother country as the chief customer of Canada. Nationalists, seeking to establish an economic basis for independence, argued that Mr. Goldwin Smith and other commercial-unionists were wrong

<sup>1</sup> *Ibid.*

<sup>2</sup> *I.e.* not to the extent of free trade, but on the basis of separate national tariffs.

when they maintained that the "natural" direction of Canadian trade was north and south. Nature herself, it seemed, had provided for the political situation, when she made one great waterway of the continent run from north to south, uniting the States, and the other from east to west into the Atlantic, drawing Canada towards Britain. In fact the natural direction was the same as that of the St. Lawrence, parallel to the direction of the American export trade. The products of the continent were similar on each side of the international boundary, and, so far from being complementary to each other, were competitors for the British market. Hence the latter was the market which it concerned Canada to develop. But there was a difficulty about return cargoes, so that the preference, if it encouraged British imports, might be advantageous to Canadian trade in any case.

At the same time it was impossible to assume complete indifference towards the United States. For, while Canadian exports to Britain were outdistancing Canadian exports to the States, the fact remained that American imports into Canada were increasing more rapidly than British. A large part of the increase consisted in the raw materials for Canadian manufactures, and is likely to continue until Canadian natural resources are sufficiently developed to supply her own factories; which involves either a great cheapening of transport, or else the location of factories nearer to the sources of supply than to the centres of population. The tendency in this direction is illustrated by the new establishments at Cape Breton and at Sault-le-Marie. Meanwhile, however, the Canadian Government adheres to its own policy of reciprocity with the United States, as a possible supplement to imperial preferential trade, if not as an adequate alternative to it. When the British preference was introduced, it was argued that the measure gave Canada a stronger position for bargaining with the United States, by emphasizing the existence of an alternative Canadian policy. In 1898 reciprocity was one of the chief issues before the Joint High Commission. But, although the Canadian delegates were willing to consider the freer admission of American manufactures, the proposal came to grief once more in the

general collapse of those negotiations. Since that time the development of Canada has been so rapid that the Americans have reversed the traditional rôle, and now themselves figure as the advocates of a liberal arrangement with Canada, seeing that her market is growing daily more important to the manufacturers of the world. The Joint High Commission, after six years of suspense, is not considered to be defunct, and there have been periodical rumours of its revival. At the time of writing (Jan. 1905) it is reported that the Canadian Government has deferred the matter to the autumn, presumably in order to see how Mr. Chamberlain's campaign progresses in the meantime. From the British point of view the United States is a dangerous rival. Since the object of both countries is to secure the surplus market for manufactures in Canada, which continues to develop beyond the capacity of local factories, it seems likely that whichever country is the first to conclude a treaty of reciprocity will obtain better terms than the other.<sup>1</sup>

Thus in Canada the system of protection is assured. It is identified with the growing national sentiment, and is accepted by both parties with a difference which seems, to outsiders, little more than a difference of name or of degree. The success of protection has been too pronounced to permit the resurrection of the Cobdenite illusion. Under the shelter of the tariff Canadian manufactures have made a marvellous start, and already certain industries are attaining the dimensions which are necessary to cheap production.<sup>2</sup> Meanwhile the American manufacturers are finding it more profitable to establish branch works in Canada than to go on paying the duty into the Canadian exchequer; so that protection gives the farmers not only cheap manufactures but an enlarged home market. Further, the former "exodus" of French-Canadians from Quebec, seeking employment in the New England factories, has been checked, and instead there is the beginning of a vast migration of American farmers into the virgin

<sup>1</sup> Cf. the view of the Democratic party in the United States, upon which the reciprocity cry was raised in the last presidential election.

<sup>2</sup> Cp. *infra*, p. 262.

plains of the Canadian West. To Canadians they appear the most desirable of settlers, bringing more capital and much more experience than the average Britisher, and a higher standard of civilization than the other European immigrants. They are said to become "good Canadians," *i.e.* they accept the Canadian ideal of national independence instead of favouring "annexation," which satisfies the test of patriotism without further inquiry as to their "loyalty." But it appears that a large proportion of them are not native Americans, having been born either in Canada or in Britain.

Both parties in Canada find a vindication of their respective fiscal policies in this the "growing time" of their country. Ministerialists attribute the prosperity to "free trade," *i.e.* the alleged substitution of revenue-tariffism for the National Policy. Conservatives, on the other hand, contend that the Liberal tariff is only a milder edition of their own, and is sufficiently protective to avert the disasters which free trade would entail. Meanwhile the English anti-reformers, unable to give their blessing to duties averaging about 17 per cent., sorrowfully add Canada to the long list of aggravating countries which are prosperous in spite of protection.

To summarize the present situation, while both parties in Canada favour preferential trade with Britain, neither of them contemplates the permanent concession of preference without reciprocity; and neither party is prepared, under any circumstances, to see Canadian industries checked for lack of sufficient protection. But there is still some difference between the parties as to the degree of protection which is required. In other words, were negotiations on foot for a commercial treaty, the Liberals might be expected to grant a larger rebate from a lower rate of duty than the Conservatives.

In the Commonwealth likewise, the tariff question has been connected intimately with the national question. There again the cosmopolitan affinities of Cobdenism, which its modern adherents sometimes disown, are illustrated by the fact that the anti-national party more or less coincided with



the free-trade party. As in Canada, most of the leaders who brought the federal movement to a successful issue advocated protection for the Commonwealth, recognizing therein the most potent instrument for fostering the sentiment and creating the economic basis of Australian unity.

But in the Commonwealth further considerations are operating to break the resistance of the free-trade theory and of the free-trade party in federal politics with much greater dispatch than was the case in Canada. Apart from the necessity of raising a federal revenue, and the ordinary arguments for protection, there are the special lines of policy of which the *Bulletin* is the chief exponent.<sup>1</sup>

These considerations made it impossible for Mr. G. H. Reid and his followers to persuade the electors of the new Commonwealth that the fiscal system of New South Wales was the best example for the Commonwealth to follow. Indeed, it was easy for the protectionists to point out that the effects of free trade could not be estimated by reference to the experience of the mother colony, which consistently had diverted the enormous capital realized by land sales to reinforce the annual revenue, and could show few thriving industries which had not been fostered by heretical differentiation between Customs and Excise duties. The whole question was thrashed out with extraordinary zest and thoroughness in the first federal elections, which were dominated by the fiscal issue. The main economic arguments on either side were furnished by contrasting the progress of Britain with that of her protectionist rivals, and of New South Wales with that of Victoria. The victory of the protectionists is the more striking because a State such as Victoria, with a population no greater than that of a large city, cannot have the extensive home market which is essential to the success of protection as a means to cheap manufactures.

The tariff instituted by the Barton Government was not so high as that maintained by the Canadian free-traders.

<sup>1</sup> Cf. *infra*, pp. 195, 202, seq.

At first it was assailed by Mr. Reid's party in the uncompromising spirit of the English extremists, but not after it became apparent that so heroic an attitude debarred the party from all hope of power. Mr. Reid at length has attained office by coalescing with a strong section of protectionists, whose support depends upon the recognition of the existing irreducible minimum of protection. Just as in Canada eight years ago, so now in Australia the free-trade party seems to contemplate effecting a retreat from the quicksands of abstract theory by appointing a tariff commission to construct the bridge. Mr. Reid has postponed tariff revision pending the report of a commission of inquiry, which doubtless will take the national view and recommend a large instalment of protection, thereby relieving the free-traders from the unpleasant necessity of spontaneous recantation.

In New Zealand also, protection has become the permanent fiscal policy. But it cannot yet be described as a national policy, in the same sense as in Canada and Australia, because an independent national consciousness has not yet become the paramount motive. Moderate import duties were imposed at an early date for purely revenue purposes. They have been raised and modified gradually, as in the former colony of Victoria, in deference to the protectionist economic theory, without reference to ulterior political objects; and the system has become an integral part of the policy which has distributed wealth and comfort more evenly in New Zealand than elsewhere in the world. Already industrial employment at high wages has expanded too widely to permit any substantial reaction towards free trade, apart from the future support which protection will derive from the growth of the national instinct.

The parallelism of the lines upon which national fiscal policy is developing in the Dominion and the Commonwealth is illustrated further by the favour with which the nationalist chiefs in Australian politics regard the proposal of preferential trade. Mr. Watson, the leader of the federal Labour party, took occasion to state that the last federal elections, which gave his party office, showed that the majority in Australia

favoured the proposal.<sup>1</sup> Of the men who have hitherto been at the helm of the Commonwealth, only Mr. Reid, the free-trader and former anti-nationalist, has spoken with an uncertain voice. At the present time it is common to hear him quoted by English controversialists upon both sides of the question. In Australia, however, such confusion is not likely to occasion surprise; since, it is often said, there never yet was an important Australian issue upon which that accomplished politician committed himself irretrievably to one side or the other. It is more significant that the *Bulletin*, which is forbidden by tradition to favour imperial consolidation, is too conscious of the national advantage which would accrue from the proposed treaty of reciprocity to take an anti-British line, and confines itself to scolding the section which, in England and in Australia, invites the Commonwealth to grant a preference without reciprocal concession.<sup>2</sup>

What, then, is the connection between Australian nationalism and the policy of preferential trade? From one point of view the connection is the same for Australia as for Canada; namely, that preferential trade would further the cause of national independence. But whereas in Canada the object was political independence of the United States, in Australia the object is financial independence of the British bondholder. The reduction and ultimate liquidation of the Australian public debt, whatever the means adopted to effect it, obviously will be facilitated by the development of direct trade with the creditor country, rather than by the substitution of a three-cornered or roundabout commercial connection. At present, however, while the debt continues to grow, Australian

<sup>1</sup> Mr. Watson, the Commonwealth premier, in an interview with reference to Mr. Chamberlain's proposed colonial Conference, said:

"As regards Australia, I think a conference is not needed till Great Britain decides to adopt the principle of preference. The last federal elections made it clear that Australia favours the principle. When Great Britain agrees I hope for valuable results from a conference laying down the general lines of mutual preferential tariffs before the separate Legislatures discuss details. For the present Australia awaits the mother country's decision."—*The Times*, Aug. 5, 1904.

<sup>2</sup> *Op. p.* 207.

trade with foreign countries tends to increase at the expense of the trade with Britain. Hence the preferential system, if it helps to retain the major portion of Australian foreign trade in the channel through which interest and principal find their nearest way to the British bondholder, naturally commends itself to those who desire the financial emancipation of their country.

But in addition to these special considerations the system of reciprocity with Britain offers a general advantage which appeals to the strongest instincts of all the self-governing colonies. The importance attached to manufacturing industries has not blinded them to the fact that the real basis of economic progress is a prosperous rural population, which is essential both to the physical excellence of the nation and to the stability of internal economic conditions. Certainly this national aspect of rural prosperity is recognized more fully beyond the seas than in the mother country, where the strangling grip of the importing interests has choked agricultural enterprise, both threatening national physique and rendering manufacturing industries unduly dependent upon foreign markets.

By contrast, neither in Canada or Australasia, excepting perhaps New South Wales, has the theory of a one-sided fiscal policy, causing a one-sided development, whether rural or industrial, ever found favour. The policy of fostering manufactures is defended partly on the ground that these industries provide the utmost profitable market for agricultural produce; and the State has afforded direct and indirect assistance to agriculture in at least as liberal a measure as to manufactures.

Moreover, under the existing economic conditions of the world, it is impossible, generally speaking, for new countries to develop manufacturing industries except upon the basis of the home market. In other words, although land settlement and industrial development may and ought to proceed together, the former must always be in advance of the latter. Therefore, the indispensable condition of industrial as well as of agricultural development in Canada and Australasia is an export market for agricultural produce. But in all the

world there is only one export market fulfilling the required conditions of free access and enormous capacity, namely, the single country which has destroyed its own agriculture in the effort of commercial expansion abroad, happening also to be the mother country of the Empire. In the new countries there was for a long time a fable that the British market was "unlimited," *i.e.* for ever capable of absorbing all the corn, meat, and dairy produce which might be sent there from all quarters of the globe. But of late years the increasing competition of South America, not to mention European rivals, has caused Canadians and Australasians to perceive that there must be a limit to the consumption of the street-bred people, and that the rapid diminution of food supplies grown within the British islands is not sufficient to counterbalance the progressive increase of food supplies sent by themselves and their rivals.

Hence the widespread popularity,<sup>1</sup> in Canada and Australasia, of the proposal to treat preferentially food supplies grown within the Empire, which seems to favour the steady settlement of colonial lands, and therefore at once commands the support of national sentiment. True, it is recognized that the conversion of the British nation to the protectionist doctrine, which is already accepted by colonial nationalism, would impair the value of the British market to over-sea suppliers. But it is anticipated that this change, which generally is regarded as an ultimate certainty, will not be brought about without a struggle, and then will not become fully operative for many years. In the meantime the proposed preference would be a powerful auxiliary to the nationalist land policy.

In Canada public attention is concentrated upon the

<sup>1</sup> This is the personal testimony of the present writer, who made a point of speaking all the many "ships that passed in the night," during more than a year spent in Canada, and a like period in Australasia. Those who responded against preferential trade almost invariably were found to be assuming that commercial union, *i.e.* imperial free trade, was intended—this being in fact the official ultimatum of the mother country at that time. On the other hand, preferential trade based upon fiscal independence, *i.e.* separate national tariffs, was favoured by the great majority, representing all classes and interests.

prairie region, with its vast wheat-growing capacity, where much of the land lies ready for the plough, and therefore invites rapid settlement earlier than the forest lands of the Eastern Provinces and British Columbia. The proposed preferential duty on wheat is expected to emphasize the advantages of Canadian over American soil. As regards prices, the prevailing averages are sufficient to make wheat-raising a great success in Canada, and it is not anticipated that the 2s. duty would enhance the price at Liverpool. But it is anticipated that the middle interests would exact most of the duty from the dutiable producer, so that the Canadian farmer might expect to get a better price on his farm than his rival south of the line. Thus the transference of the British market from American to Canadian farmers would proceed more rapidly than would otherwise be the case.

At the same time it seems that the marvellous increase of immigration from the western States has modified the Canadian valuation of the suggested preference. For in 1902 the Dominion Government was prepared to increase the British preference in its own tariff in return for exemption from British duties "now or hereafter imposed,"<sup>1</sup> *i.e.* from the shilling duty which then was in force. But the obstruction of our conservative irreconcilables destroyed the opportunity, and now Canadians cannot connect the present boom with any concession on our part. The fact that the proposed duty has been raised to 2s. seems to indicate a hardening of the Canadian attitude; and when the commercial treaty comes to be negotiated the bargain is likely to be less favourable, from the British point of view, than it might have been in 1902.

The proposed duty on dairy produce, though it would be an important aid to land settlement in Eastern Canada, where the dairy industry has been highly organized by the State, is the most vital item in the whole programme for Australia and New Zealand. There, compared with wheat-growing, the production of butter and cheese on the modern factory system is proving of paramount importance to the progress of closer settlement. It appears to be the single extensive

<sup>1</sup> Cf. p. 150.

and extensible industry which enables a settler, without much capital except a growing family, to make a comfortable living off a small area of suitable land. In New Zealand especially, a large proportion of the country is suitable for dairying, while the climate is amongst the best in the world. In Australia dairying lands are but a small fraction of the enormous total, but sufficient nevertheless to support many times the existing rural population, were the market for dairy produce equally elastic; and wherever the land is fit the climate is not prohibitive. One great obstacle to closer land settlement, both in Australia and in New Zealand, is that most of the best and more accessible land was alienated in large blocks in the early days, and has been utilized as sheep runs, excluding the troublesome small farmer. Accordingly Australasian Governments are now carrying out a policy of compulsory resumption by the State, with a view to subdivision into small farms. Under this policy estates suitable for cutting up into small dairy farms are chosen where possible.

In connection with the British market for dairy produce a very important feature is that the reversal of the seasons makes antipodean dairy supplies most plentiful at the very time when British supplies are at their lowest ebb, and *vice versa*. In Australasia the dairy industry is not yet organized up to the point attained by Denmark, and also, in a lesser degree, by Canada. Artificial feeding in winter is not yet the rule, and the creameries generally close down for the mid-winter months. The alternation of the seasons is to some extent a permanent reason for the paradoxical system whereby we draw the most perishable of competing articles of food from beyond the tropics.

So great is the relative importance of wheat-growing in Canada, and of dairying more particularly in Australasia, as affecting the national land policy of these countries, that it may be questioned whether it was necessary to propose any further duties as a basis of reciprocal trade arrangements. The present writer at any rate, after investigating actual conditions in both quarters, in the years preceding Mr. Chamberlain's resignation, formed the conclusion that a

tangible concession in colonial tariffs might be negotiated in return for nothing more than the preferential admission of colonial grain and dairy produce. Upon that hypothesis the initial inclusion of meat, which ranks third as a factor in land settlement, is a tactical mistake; depriving us of a negotiable asset which might prove valuable in future revisions of the commercial treaties. Upon the basis now proposed by Mr. Chamberlain, our only substantial reserve is a duty on bacon, which, since bacon is a by-product of the dairy industry, will acquire an increasing value as time goes on.

Some of the objections which have been raised in England against Mr. Chamberlain's proposals indicate a complete indifference to the evolution, from colony to nation, which has been taking place in Canada and Australia. For example, prominent anti-reformers cannot see why Canada should be satisfied with a preference on wheat, to the exclusion of timber, which shows a larger figure in export values, or why Australia should not require a preference on wool for a similar reason, thereby antagonizing the principle clearly stated by Mr. Chamberlain, that we shall place no duty on raw materials.<sup>1</sup>

So out of date is the standpoint of these objections that sometimes they are expressed in language reminiscent of the days when the accepted function of a colonial Government was merely to transmit the sectional views of its constituents for the favourable consideration of a paternal Home Government. Reading the speeches of the Liberal spokesmen one gathers that a commercial treaty with Canada or Australia would be a business different in kind from a similar treaty with a foreign Power, such as that which Cobden negotiated

<sup>1</sup> "Any scheme which excludes Australian wool and Canadian timber is lame and imperfect."—Lord Rosebery, at Leicester, Nov. 8, 1903.

"Let me ask you to realise what preference means to the people of the United Kingdom. . . . It means, and it must mean if it is going to be carried out equitably, the taxation of Argentine wool and meat in favour of the wool and meat of South Africa. It means, or it may possibly mean sooner or later, the taxation of American cotton in favour of East and West African cotton grown within the limits of the Empire."—Mr. Asquith, at Wednesbury, Jan. 24, 1904.



with France,—that, in fact, the British Government would not be dealing with another national Government, but would be beset by a multitude of clamorous deputations from beyond the seas.<sup>1</sup> If these objectors realized that the colonial era is passing away, and that the Governments of the Dominion, the Commonwealth, and New Zealand now exercise national functions, they would also realize that it will fall upon those Governments, and not the British Government, to evolve out of sectional colonial interests a proposal which it is possible for us to accept. Thus the theoretical difficulty as to raw material is of no consequence whatever to the British public. For us it is sufficient that the nationalist statesmen of Canada and Australia, although fully aware of the stipulated restriction, are not deterred by it from supporting the principle of preferential trade.

If the hypothesis be accepted that the patriotic interest of a country is not necessarily identical with that of the industry which exports the greatest money value; and that the Canadian and Australian statesmen are not only straightforward but are actuated by the sense of national responsibility; then it is easy to perceive that timber and wool do not possess the national status of wheat or dairy produce, and therefore have less claim to special consideration. It is the writer's experience that beyond the seas timber and wool are not usually mentioned in discussions of preferential trade, except occasionally by the direct representatives of those industries. As regards timber, some Canadian exporters say that the lumber which they send to Britain does not compete seriously with Baltic timber, being of a different quality; while American lumber, excluding that which is of Canadian origin, is an insignificant and diminishing quantity in the British market. However that may be, the lumber industry is not comparable with agriculture in the popular estimation; and preferential trade always is discussed in connection with the latter, which is recognized as the predominant national

<sup>1</sup> "Mr. Chamberlain disclaims any intention of taxing raw material. . . . Now what satisfaction is it to the Canadian lumberman . . . to know that his neighbour who grows wheat gets a preference here while he gets nothing?"—Mr. Asquith, at Cinderford, Oct. 9, 1903.

interest. Indeed, protests are raised even now against the reckless inroads upon the forest area, and the improvident wastefulness of the methods hitherto followed by the lumber trade.

Likewise in Australia, the democracy, especially as represented by the dominant Labour party, is distinctly hostile to the land-absorbing sheep runs, which are an obstacle to the national policy of "closer settlement," and often are in the hands of absentee owners, who minimize their expenditure in Australia and drain the wealth of the country to swell the income tax in England. It is extremely difficult to imagine the Labour party foregoing federal revenue in order to confirm the value of the sheep runs which it wishes the State to resume. If the loss is to be incurred, it will only be for the sake of great national objects, such as the policy of land settlement, which is based upon dairying and agriculture.

Again, the objection is raised that concessions in colonial tariffs are worthless to Britain, unless they are sufficient to place the British manufacturer on an equality with his colonial rivals, and an assurance to this effect is demanded as the preliminary condition of serious discussion.<sup>1</sup> Such an attitude seems hopeless to those who appreciate the unalterable national basis of the protective system; and amounts to

<sup>1</sup> "He was by no means opposed to conferences with the colonies on imperial affairs generally; but the colonists having told us frankly that they could not afford to put British manufactures upon equal terms with colonial manufactures in colonial markets, we should also tell them frankly that so long as that was the case we did not see that it was possible to discuss with advantage any scheme of preferential tariffs."—Sir Edward Grey, at Coventry, Nov. 8, 1904.

"The proposal of a fiscal conference was specious and plausible, but was there any one of the great self-governing colonies prepared to agree as a basis of negotiation that British manufactured goods should go into their own markets on level terms with their own native products? . . . Then what came of this Conference? The whole thing was a sham and an imposture."—Mr. Asquith, at Southampton, Nov. 7, 1904.

"We had nothing better to give the colonies than open ports. If reciprocity was desirable, it was for the colonies to reciprocate by giving greater facilities, as Canada had so generously and affectionately done, for the admission of British products. The proposed Conference was a

a flat refusal to consider reciprocity in any practicable form. It ignores the fact that, under modern conditions, the market for imported manufactures in most countries, except England, is being limited deliberately to articles not produced in the country; or, as regards other articles, to the surplus which cannot be supplied from within. Even within the Empire, it is only the dependencies, such as India, which can fulfil the free-trade stipulation; their own economic interests being subordinated forcibly to those of their suzerain. At the same time the surplus markets of Canada, Australasia, and South Africa have an incomparably greater future value than those of older countries, for the reason, already explained, that their home industries, generally speaking, cannot overtake the home demand until the distant time when the opportunities of rapid land settlement shall be nearing exhaustion. Thus, when the United States, Germany, and England are in competition to supply the demand for steel rails in Canada, which must be in excess of home production for many years to come, it is ridiculous for a free-trader, of all men, to assert that a rebate of 40 per cent. in favour of English rails<sup>1</sup> is

delusion and a snare, and the whole of the proposed policy a colossal blunder and delusion."—Sir H. Campbell-Bannerman, in *Manchester*, Nov. 30, 1904.

"When people talked of a bond of union with the colonies, they should be asked to name a single colony that would support a proposal for free trade within the Empire. Of course the colonies would say 'Thank you,' if they were given a preference: they would be simple-minded if they did not. *But what would this country get in return? Absolutely nothing.*"—Mr. Lloyd-George, at York, Jan. 30, 1905.

<sup>1</sup> In August 1904, a steel-rail mill having been started in Canada, a duty of \$7·84 per gross ton upon imported rails was put into force. According to the Montreal correspondent of the *Manchester Guardian* (Sept. 12, 1904):

"The imposition of the duty should result greatly to the advantage of the British mills. These have been at a great disadvantage in the past, owing to the competition from the United States and German mills, which, on account of the fiscal policy of these countries, were enabled to undersell them. The application of the duty, however, will bring into force the preference of one-third in favour of the British mills, the surtax of one-third against the Germans, and the dumping clause, which will probably be mainly operative against the United States. The duty against the British manufacturer will, in future, consequently be \$5·23

not an advantage worth retaining or improving by reciprocal concession.

Again, the present proposals are deprecated as a restriction of colonial autonomy.<sup>1</sup> Once more, the objection betrays a curious lack of sympathy with the economic ideas of the outside world. In Canada, as has been described, that question was fully considered some years ago, in connection with the commercial policy of the Canadian Liberals towards the United States. The result was an agreement of all parties that, although commercial union might necessitate political union, restricted reciprocity involves no dangers to national independence. Having discussed preferential trade throughout Canada and Australasia, the present writer can testify that he never once encountered the singular objection which has been invented in England.

Finally it is alleged that the present proposals are a revival of the old preferential system, which proved an economic failure. The latter statement is open to question, but is beside the point in any case. The basis of the old system was the relation between a "plantation" and the mother country. The plantation was to produce raw materials, but not to manufacture for itself, or obtain manufactures except through the mother country. The avowed object was to make the one subservient economically to the other. But the basis of the present proposals is national equality, expressed by the negotiation of commercial treaties in exactly the same way as between foreign countries. Contrasted with the zollverein plan, Mr. Chamberlain's present proposals imply a recognition that the national interests of the two parties are separate and are to be

per gross ton, that against the German \$10.45, and that against all others \$7.84. This will give him an advantage of \$5.22 over the German and one of \$2.61 over all others. This ought to enable him to dispose of all competitors, especially when it is remembered that the dumping clause will prevent them from selling at less than their own domestic prices."

<sup>1</sup> "Depend upon it, if ever our people here agreed to tax their food in favour of the colonies, then at once they would begin to interfere with the fiscal liberty of the colonies."—Sir Edward Grey, at Kendal, Dec. 14, 1904.

conserved as such. That is the whole secret of their popularity beyond the seas. The habitual use of the phrase "commercial treaty" by Sir Wilfrid Laurier, the leader of colonial nationalism, itself proves how wide a gulf divides the present-day imperialism of the younger nations from the antiquated misconceptions which in England are a formidable obstruction to progress and reform.

### NOTE.

#### MR. CHAMBERLAIN'S PROPOSALS.

Mr. Chamberlain's original proposals, as enunciated by him at Glasgow on Oct. 6, 1903, were as follows:—

A duty on foreign corn (excluding maize) not exceeding 2s. per quarter. A corresponding duty on flour, to give a substantial preference to the miller.

A duty of about 5 per cent. on foreign dairy produce and meat (excluding bacon).

A duty on manufactured goods, not exceeding 10 per cent. on the average, but varying according to the amount of labour in these goods.

The following duties, then in force, to be remitted:—

Three-fourths of the duty on tea.

Half the duty on sugar, with a corresponding reduction on cocoa and coffee.

Mr. Chamberlain calculated that, assuming all duties to fall entirely on the consumer, the working man would not have his cost of living increased at all by this readjustment of duties. But he said, "I have made this assumption (that the new duties would fall entirely on the consumer), but I do not believe in it. I do not believe that these small taxes on food would be paid to any large extent by the consumers in this country. I believe, on the contrary, they would be paid by the foreigner."

Subsequently Mr. Chamberlain has indicated several times that the above programme is to be regarded as tentative only. The conditions have been changed to some extent by further increases of the duties selected for reduction, since the date of the above proposals.

## CHAPTER XI

### NATIONALISM IN TARIFFS

#### (II.) LITTLE ENGLAND AND TARIFF REFORM

It is a feature of the fiscal controversy in England that the anti-reformers associate the idea of preferential trade with the idea of a "sacrifice," which the country is being asked to make for the sake of imperial union. From their point of view the question is whether such a sacrifice is necessary to achieve the object; or whether the sacrifice proposed will be sufficient to do so; or whether imperial union is worth any sacrifice at all on the part of Little England.

Another feature of the controversy is that the cry of "sacrifice" has failed to evoke any appreciable sympathy beyond the seas. To the anti-reformers this signifies that the younger nations, when they support the proposal, are displaying an inhuman indifference to the interests of the English taxpayer, who already bears more than his due share of the common responsibilities. On the other hand, viewed from beyond the seas the English tariff reformers do not appear to be an unpatriotic party, neglecting their brothers for the sake of their cousins. They are judged to be a genuine Little England party, in so far as they are advocating a reform which is required in the interests of Little England.<sup>1</sup>

<sup>1</sup> In Canada especially this is a view which has long prevailed, *e.g.*, Sir John Macdonald's attitude: "In reply to the objection that this policy (imperial reciprocity upon the basis of separate tariffs) was at variance with the deeply-rooted attachment of Englishmen to the doctrine of free trade, he would answer that the time was rapidly approaching when the power of that superstition would be broken, and when Englishmen would awake to the supreme folly of sacrificing their material interests to the worship of a theory which was every day being disproved by the stern logic of facts."—Pope's *Memoirs of Sir John Macdonald*, vol. ii. p. 216.

quite apart from the imperial aspects of the policy. By contrast, the anti-reformers figure as a conservative party, clinging with sentimental obstinacy to an obsolete fiscal doctrine, which has been condemned as unsound in theory and injurious in practice by the official verdict of the whole modern world, outside England. From this point of view it is a mere accident that tariff reform should have an imperial aspect, or that the question should have been raised at a time when there is a difficulty about revenue and a scarcity of employment in England. These circumstances only give additional urgency to a reform which is indispensable in any case to a country requiring revenue upon the easiest terms, and the fullest development of its industrial and agricultural possibilities.

The characteristic which differentiates the English revenue system from that of other countries is the restriction of Customs duties to those imports only which do not compete with the products of home industry. The principle followed elsewhere is the direct opposite, namely, to exhaust the revenue readily obtainable from competing imports before placing duties upon non-competing imports, excluding luxuries. In practice the English system now seems to have produced the following results:—

1. Whereas all other countries levy toll upon the foreign seller for his use of the national market, England levies no such toll, and increases the burden upon her own taxpayers by the amount so lost.

2. The sources of revenue being limited in number, it has become necessary to drain each of them to the utmost, thereby incurring—(a) excessively dear necessities of life, namely, tea and sugar; (b) an abnormally high rate of income-tax, making this tax useless for the important purpose which it was designed to serve; (c) the commandeering of local revenues for national purposes, thereby crippling the activity of local authorities in their special spheres.

3. The injury of English industries of all kinds, by raising the cost of production against them and in favour of the foreigner, even in the English market. The increased cost of production arises from—(a) the additional internal

taxation which is necessitated by the exemption of the foreign seller from taxation, especially affecting agriculture; and (b) the disturbance or restriction of the home market, especially affecting those manufacturing industries in which an extensive and stable home market is the modern basis of production at minimum cost.

The first of the foregoing propositions contradicts a fundamental assumption of the Cobdenite theory—a fiscal hallucination which has never ceased to excite astonishment in the outside world. The assumption underlying the English revenue system is that any import duty whatsoever, be it great or small, levied upon any article whatsoever, which is produced at home in any quantity whatsoever, raises the price of the home product by at least the amount of the import duty; so that, while the revenue benefits only to the extent of the importation, the unfortunate taxpayer, *qua* consumer, has to pay the enhanced price for the home product as well as for the imported article.<sup>1</sup> Such is the extraordinary theory which was imposed upon the English revenue system in the days when oligarchy gave the logician<sup>2</sup> his opportunity to direct national affairs, and which a famous representative of the older Liberals lately declared to be as true as the multiplication table!

It is a striking proof of the oppressive power of sheer conservatism upon the English intellect that the abstract

<sup>1</sup> "Taxes of this kind must and always will fall on the consumer. If you deny that, tell us on whom it will fall. . . . Some say that the tax will be paid by the foreigner. Why should it? . . . The consumer is the man who must have it in the end."—Sir William Harcourt in the Budget debate, 1902, upon the introduction of the shilling corn duty.

"A tax on any commodity will as a general rule raise the price of that commodity by at least the amount of the tax: there are few cases in which it does not raise it by more than the amount."—Mr. John Morley, quoting J. S. Mill, June 19, 1902.

<sup>2</sup> "It was quite in accordance with his (Peel's) habit of mind that he should prefer to carry out the Free Trade principles in their logical completeness, as soon as this course was feasible, rather than attempt any sort of compromise. Peel accepted the maxims of economic science as the pronouncements of a master whose guidance might be followed unhesitatingly."—Cunningham, *The Free Trade Movement*, p. 52.



theory has held sway over non-commercial minds long after it has been repudiated in practice by all the business classes of the community, both high and low; excepting some of those whose interest as taxpayers is subordinate to their commercial interest in free imports, whether as importers, middlemen, or commission agents. The outcry of the English manufacturer against high tariffs abroad has little meaning, except upon the assumption that he cannot compete with the domestic manufacturer in the market of the protected country without himself paying the duty, in whole or part as the case may be. For if prices in the protected market are raised at least to the full extent of the duty, as asserted by the Cobdenite doctrine, then the profits of the English manufacturer in that market are not less than they would be if there was no import duty, and his complaint is weakened. The only other ground of grievance lies in the argument that protection, by raising the price of English or native wares in the protected market, decreases the demand for them. But that hypothesis does not explain the action of those staunch free-traders, the Lancashire cotton spinners, when they insisted upon the institution of an Excise duty in India to balance the import duty upon cotton goods. If their only objection to the import duty was that, by raising prices, it lessened the purchasing power of the Indian consumer, then the addition of the other duty obviously was not calculated to remedy the evil. There is no intelligible explanation of their anxiety to have the Excise duty imposed, outside the hypothesis that they knew the other duty would be payable by themselves rather than by their Indian customers, in order to keep their prices down to the level which would be established by the internal competition of their duty-free rivals, the Indian mills. If cotton spinners are prominent in the ranks of the anti-reform party, it may be conjectured that the free-imports doctrine, however injurious to them when applied in England, is such an enormous advantage when enforced in India that they fear to see its sanctity impaired at home.<sup>1</sup>

<sup>1</sup> "In view of his approaching visit to Preston, the local branch of the Free Trade League has forwarded to Mr. Chamberlain a letter and list

Again, the Cobdenites assert that the shilling corn duty of 1902 was paid by the English consumer, while the export duty on coal is paid by the English producer,—apparently not on account of any special circumstances, but by virtue of a universal law, that the country which is wicked enough to impose a duty cannot shift the penalty of its sin. But how can the sacred principle, that “the consumer must have it in the end,” be reconciled with the theory that the producer pays the coal export duty? A riddle suggests itself. Who would pay the duty, the producer or the consumer, supposing it was levied neither on the exporter nor on the importer, but was the customary exaction of a pirate stationed in mid-ocean? Obviously not the guilty party this time. Then which of the innocents?

If the canon, that the consumer must have it in the end, thus has been repudiated by the lordliest Cobdenites of Manchester itself, it certainly has not been treated with greater deference by the humbler tradesmen whom post-Cobden legislation has entrusted with the direction of local fiscal policy throughout the country. Wherever a market has to be maintained by the ratepayers of a town, Cobdenism is cast to the winds, and the necessary revenue is obtained by a system of tolls, instead of being drawn from the rates. In other words, Customs duties are preferred to direct taxation. The popular argument is that those who enjoy the advantage of selling in the market are the proper parties to pay for its maintenance; and that many of them, not being ratepayers, would escape this equitable obligation if the tolls were abolished,—in other words, the outsider is expected to pay for advantages conferred upon him by the ratepayers. If the professor tells the simple market-goers that these tolls are iniquitous “taxes on food,” being passed on by the seller to the buyer, he will find himself a laughing-stock. For it

of questions signed by a number of leading cotton spinners and manufacturers. . . . (Question 3). ‘If we substitute for our present system of free imports one which imposes duties upon manufactured articles coming into this country, can we in justice deny India the right to impose duties on manufactured articles entering that country?’—*The Times*, Jan. 10, 1906.

is their individual and everyday experience that the seller does pay the toll himself, and never can recover it afterwards by adding it to the price. They are aware that prices in the market are not higher than those which prevail on the farms or in the shops, where no toll is paid. The professor, with reckless logic, may affirm that, if market tolls were abolished throughout the country, the average price of the articles sold would be reduced by the average amount of the toll formerly levied on each. But the ratepayers, albeit consumers, will only ridicule his unpractical credulity. Their sentimental respect for academic wisdom is unequal to the strain of putting their market upon the rates, and magnanimously allowing non-ratepayers to enjoy it gratis, at their expense. Nothing can prevail against the conviction of their practical experience, that the toll is paid willingly by the seller out of the profits which the ratepayers' market enables him to make; so that the abolition of the tolls merely would increase their burdens as taxpayers, without diminishing their expenses as consumers.

Thus in practice it is agreed even in England that the factors governing the incidence of a duty are other than the point where it is levied, and cannot be reduced to the simple formula, "all duties raise prices," which has saved two generations of Englishmen from the trouble of applying science to national revenue policy. The common and essential feature of the situations which have been described is the fact of competition between two main classes of sellers, namely, the duty-paying and the duty-free. Given such competition, it seems that there is at once a tendency for the latter class to undersell the former, ultimately compelling the dutiable competitor to make sacrifices in order to retain his market. How far the buyer and taxpayer gain by this tendency, in any given case, is a question which seems to depend upon the varying interaction of a host of subsidiary factors. These include, no doubt, the quantitative proportion subsisting between the two classes of supplies, in relation to the extent of the demand; the proportion which the duty bears to the selling price; the keenness, or otherwise, of competition amongst duty-free suppliers;

the importance, or otherwise, of the market to the dutiable suppliers.

Were it humanly possible to ascertain all the relevant factors in the case of every competitive article imported, a scientific tariff might be framed which would no more raise the prices of the dutiable articles than do the market tolls of the country town,<sup>1</sup> and would be an equally ideal means

<sup>1</sup> The unorthodox Dibbs tariff of New South Wales seems to have approached the ideal from the consumer's or taxpayer's point of view, the duties simply fulfilling the function of market tolls, i.e. relieving the home taxpayer at the expense of the outsider. The failure of the duties to raise prices is the more remarkable in that the final decade of the nineteenth century was a period of progressive drought, the severest on record, in Australia. By the end of the century the drought had caused great scarcity, and therefore higher prices, which the free-traders presently attributed to the new federal tariff. The following account is quoted from the *Bulletin* of October 19, 1901 :

"In his article on the 'Prices of Commodities' in the *Wealth and Progress of New South Wales* for 1898-9 (pages 523 to 540), he (Coghlan) gives the retail cost of all the most common articles of food in New South Wales for a period of seventy-eight years. The following are the prices for 1891, the last year of the old free-trade period ; 1895, the last year of the Dibbs protective period ; and 1897, the second year of the Reid free-trade period. Every article quoted in Coghlan's list, which had a new duty or an increased duty put on it by the Dibbs Government, is included :

	Free Trade, 1891.		Protection, 1895.		Free Trade, 1897.	
	Price.	Duty.	Price.	Duty.	Price.	Duty.
Butter . . . lb.	s. d. 1 1	1d. p. lb.	s. d. 1 0	2d. p. lb.	s. d. 1 0	Free
Cheese . . . "	0 9	2d. "	0 8	2d. "	0 8	"
Potatoes . . . cwt.	5 0	Free	4 3	6d. p. cwt.	5 3	"
Maize . . . bushel	2 11	2d. p. lb.	2 9	10d. p. cental	2 3	"
Bacon . . . lb.	0 10	Free	0 7½	2d. p. lb.	0 8	"
Eggs . . . doz.	1 6	Free	1 0	10 p. cent.	1 0	"
Rice . . . lb.	0 3	80s. p. ton	0 2½	60s. p. ton	0 2½	"
Oatmeal . . . "	0 2½	Free	0 2	40s. "	0 2½	"
Salt . . . "	0 1	20s. p. ton	0 0½	20s. "	0 0½	"
Soap . . . "	0 3½	Free	0 2	60s. "	0 2½	"
Starch . . . "	0 5	"	0 4	1d. p. lb.	0 4	"
Sugar . . . "	0 3½	100s. p. ton	0 2½	100s. p. ton	0 2½	80s. p. ton
Bread . . . loaf	0 3½	Free	0 2½	Wheat 10d. p. cental	0 3	Free

Unfortunately, Coghlan doesn't carry his figures further, but, even so

of revenue from the taxpayer's point of view. Although in practice conditions are always fluctuating, and such exactitude is impossible, yet the Governments of other countries, whether their tariffs are on the revenue scale or the protective scale, believe that they do succeed in utilizing the forces of competition in such a way as to raise a revenue, from duties on competing imports, far exceeding the amount contributed by the consumer.<sup>1</sup> The difference represents the contribution of the foreign seller to the expense of maintaining the market which gives him a profit, and is sufficient to relieve taxation in other directions to an extent which makes the additional cost of administration a trifle by comparison. Such is the theory of revenue-tariffism, as contrasted with the Cobdenite doctrine. Competitive imports are made to yield the largest

far as they go, they cover a good many of the necessaries of life. And the net results are these :

Not one article permanently increased in price when the protective duty was put on it.

Eleven articles were cheaper, after three years of protection, than they were when on the free list.

Only one article out of the twelve on which protective duties were abolished became cheaper after the abolition.

Six cost as much without any duty as they did with it, and the price of one on which the duty was reduced also remained stationary.

Five became dearer when protection was removed.

And the State lost £700,000 a year of revenue, to make up for which it imposed £448,000 of direct taxation, and increased its borrowings by £170,000 a year, with further increases since."

<sup>1</sup> "It might be remarked here that if any doubt exists in Britain as to the substantial nature of the preference granted by Canada in favour of British goods, certainly none exists in the United States. *The manufacturers there have found it necessary to reduce their prices to Canada to offset the preference.*"—*Canadian Memorandum on the Preferential Tariff*. Blue Book, Cd. 1299, p. 126. Cf. the following: "In the three years ending in 1903 the sum of \$8,464,596 in duties has been saved to British sellers by the operation of the preference (in the Canadian tariff)." This extract is from the "Campaign text-book" of the Democratic party of the United States (1904). It is significant that a party formerly associated with free-trade traditions now represents a reduction of duties as a saving to the seller rather than to the buyer or consumer. Were the above statement correct, the reduction of tariff rates on British imports would imply a sheer loss of revenue to the Dominion Government without any counter-balancing advantage to the Canadian consumer.

amount of revenue compatible with the interest of the consumer as such. Non-competitive imports, other than luxuries, remain on the free list until the other duties are exhausted, because the smallest duty on them is likely to reach the consumer at once, owing to the entire absence of duty-free competition. Thus in Canada there is no duty on raw coffee, cocoa, tea, and the like, because they are not articles produced at home.

The principle of Mr. Chamberlain's proposals, judged as a revenue measure, seems to be that of the revenue-tariffist, namely, to substitute certain seller's taxes, chiefly payable by the foreigner, for certain buyer's taxes, chiefly payable by the English consumer. For wheat, meat, dairy produce, and most manufactures are competitive imports; whereas tea and sugar are non-competitive imports. The question as to whether the whole, or otherwise what part, of the new duties will become the foreigner's market toll, depends upon those multitudinous considerations which defy exact analysis. Taking the most general view, the situation is decidedly favourable to the consumer and taxpayer, especially as regards the food duties. The proposed duties are small in proportion to value, duty-free production is large, and its internal competition is intense in most cases, and the English market has now become so indispensable to foreign sellers that they certainly will pay toll rather than relinquish it. In short, there seems to be no doubt that, at the worst, the new duties will take more from the foreign seller than from the English buyer, whose taxation will be relieved to that extent. The "readjustment" outlined by Mr. Chamberlain, so far from leaving things as they were, promises to prove a clear remission of taxation and reduction of the cost of living; not only involving no loss of revenue, but actually leaving some surplus for further relief.

On the other hand, the same line of reasoning seems to lead to the conclusion that it would be difficult to draw revenue from imported raw materials, even where these are of a competitive character, without entailing a serious risk of enhanced prices, which would be detrimental to the export trade in English manufactures. In the case of foreign raw

materials, duty-free competition would be less intense, because some of the most important are not sufficiently produced within the Empire. Further, foreign producers of raw materials have a much wider choice of markets than foreign producers of food stuffs—namely, all those younger manufacturing countries which are assaulting England's former monopoly. These markets generally are toll-free for raw materials, and are capable of rapid and extensive expansion in proportion as English manufacturers are handicapped. By contrast, foreign producers of food stuffs can find no alternative market to that of England in the whole world. No other market is large enough, and the tolls elsewhere are mostly heavier than those proposed by Mr. Chamberlain, being designed to protect home production.

Accepting the doctrine of revenue-tariffism, the "sacrifice" vanishes into thin air. The only appearance of sacrifice is the loss of revenue caused by the free admission of colonial supplies. Yet, apart from the reciprocal concessions for which a business-like Government would bargain, it may be that colonial preference is a necessary concession to the anti-protectionists. For the tendency of a duty to fall on the dutiable seller, and spare the consumer, gathers force with every increase of duty-free competition. English agriculture cannot expand so readily as English manufactures. Under the Manchester régime it has become utterly stagnant, not owing to low prices, but owing to the neglect and indifference of the Government during a period when State aid, in protection, co-operative organization, scientific research, and technical instruction was being lavished upon agriculture in countries which now, having learnt the art of cheap production, have captured the English market. It may well be that in many cases home-grown food supplies at present are too small and inelastic a part of the total consumption to throw the whole of even a small duty on to the dutiable seller. But if domestic duty-free competition is reinforced by that of colonial supplies, with their unlimited potentiality of rapid expansion, then it seems certain that the foreigner will find himself powerless to recover the toll by dictating higher prices.

The yield of the new duties already has been earmarked for the reduction of the tea and sugar duties, which will be a heavy drain upon it. Meanwhile it is urgently necessary to restore the income-tax to a peace level, in order that it may recover its utility as a financial engine held in reserve for war. For no other tax is qualified to serve this purpose. The income-tax is the only considerable tax of which the yield can be doubled and trebled by the mere stroke of the pen, without additional organization, and without dislocating trade. But this power of expansion is destroyed when the rate of the tax is maintained in time of peace at a level not far below that which official experience pronounces to be the limit of its productivity. Under existing fiscal conditions, the emergency of war could be met only by the immediate imposition of a wide range of new Custom duties, dislocating trade to a degree which may be conjectured from the disturbance which attended the modest duties introduced owing to the South African war. Thus the exigencies of national defence make it necessary that all those sources of revenue which cannot be tapped, or more largely drawn upon, without commercial disturbance, should be fully utilized as part of the normal fiscal system of the country, in order that the income-tax may be relied upon to meet the pressure of war.

Again, there is ground for anxiety in the circumstance that the recent Education Act was financed with the help of a new raid upon local exchequers. No one anticipates and few hope that expenditure upon education has reached finality. Yet further expenditure, under present fiscal conditions, must involve a progressive draft upon the rates, no national revenue being available. Taxation of this kind limits the enterprise of local authorities, which is not always pernicious, in their more special departments; and in particular adds to the burdens upon land—the raw material of the most important national industry.

Accordingly, even assuming a large measure of retrenchment, there is ample scope for the profitable employment of all the revenue derivable from duties on competing imports, without the complete remission of duties upon non-competing imports. In any case, the latter are less burdensome to the



taxpayer than direct taxation, and well might be increased upon articles of luxury. Customs duties, in general, compare favourably with direct taxation in cost of collection, despite the insular conditions of England; although anti-reformers sometimes quote figures in the opposite sense. Those figures ignore the time and trouble, not to say the money, expended by the individual taxpayer in the ceaseless struggle against extortion which characterizes the collection of the income-tax at its present level. The Treasury has to maintain direct relations with every individual payer throughout the country, instead of dealing only with a handful of merchants and others, who pay the Customs or Excise revenue in bulk, and afterwards recover it, from the consumer if they can, otherwise from the foreign producer in future transactions. The taxpayer, for his part, if he is neither a dupe of the Cobdenite fallacy, nor a fervent admirer of the tax-collector as school-master, prefers to make his contribution to the revenue without fuss or additional expense, in the ordinary course of his business, through the medium of the tradesmen who supply his domestic wants.

Nor is it true that the consumer always pays the whole duty even upon those articles in respect of which the absence of duty-free competition prejudices his chances of escaping. The experience of recent years has furnished several examples of a non-competitive import duty falling wholly or partly upon interests anterior to that of the consumer. Thus, the increase of the tea duty has led to loud complaints from the planters of Ceylon and India.<sup>1</sup> They protest that they do pay part of the duty, because it is of vital importance to them that the consumption of tea should not be decreased,

<sup>1</sup> "We are told that the loss will fall on the consumer and not on the producer, but we do not accept that statement. We dispute its accuracy; we say that in the future, as in the past, the loss will fall both on producer and consumer. But we are told that the increased duty will not check consumption! This is a strange doctrine. I have always been taught that the increase or decrease of consumption of a commodity depended upon whether its price rose or fell, but now it appears that the British working man has become so rich in the last year or two that he does not care what the price of his food may be."—Sir West Ridgeway, at the meeting of the Indian Tea Association, on May 4, 1904.

which is the usual result of a rise in price. So when the duty is increased they cut their profit, in hopes of keeping prices down and encouraging consumption.

In this connection it is instructive to compare the statement of the late Nelson Dingley, who gave his name to the American tariff:

"Duties on imports, as a source of national revenue, are justified not only by the fact that they are generally taxes ultimately paid at the convenience of the taxpayer, without the solicitation of the tax-collector; but also by the fact, known to business men, that, although they are in form a tax on consumption, yet in fact the duty paid the Government on an important article *is rarely added in full to the price when a similar article is made or produced here, and frequently added only in part when a similar article is not produced or made here.* Theoretically, it might have been affirmed, without contradiction, that the placing of a duty of ten cents per pound on tea at the last session of Congress would have increased the price of tea to the consumer ten cents per pound, yet the wholesale prices current show that tea has risen only five cents per pound. *The foreign producer and importer are practically paying one-half of the duty, in order to hold their customers; and the consumer pays only half.* Absurd as it may seem to the theorist, the foreigner is paying half of the \$10,000,000 annual estimated revenue from the duty on tea."<sup>1</sup>—*The North American Review*, March 1899.

Again, the shilling corn duty of 1902 might be called a non-competitive duty, in so far as American wheat is a different article to English wheat, and commands an independent price.<sup>2</sup> When the duty was in force, though

<sup>1</sup> Cf. another form of incidence on the middleman: "The deputation (to the Chancellor of the Exchequer) was introduced by Mr. Lough, M.P., who said that in London and in the provinces some 150,000 people were employed in the class of catering trade which the deputation represented, and that six millions of money was invested in it. The trade had already to pay a sugar tax, and the additional impost on tea constituted a burden which would be very oppressive. The profits on the liquid tea now sold to a very poor class of customers were very small. The price to the consumer could not be raised, and the loss would have to be borne solely by the caterers."—*The Times*, June 10, 1904.

<sup>2</sup> "A recent example was the decline in the Gazette price of British wheat during the past twelve months, from 30s. 11d. in June 1902 to 27s. 6d. in June 1903, while the average value of imported wheat over

American wheat was dearer than before,<sup>1</sup> the average price of bread was practically the same. The wholesale duty was too small an amount to lend itself to retail distribution, and so the bakers and anterior middlemen had to bear the loss.

When the duty was removed in the following year, not a single consumer seems to have obtained bread any cheaper;<sup>2</sup> so that the remission was simply a bonus to the anterior interests, at the cost of the taxpayers in general, who had to make up the deficiency from other sources. Under similar conditions of retail competition, tobaccoists in some places complain that the recent addition to the duty on cheap cigarettes has fallen entirely on themselves.

Again, confectioners and mineral-water manufacturers lately waited upon the Chancellor of the Exchequer to protest

the same period showed no decline. This was mainly due to the inferior quality of the produce of the 1902 harvest in the United Kingdom." But "the average price of American winter wheat in Liverpool has been calculated for the ten years 1892-1901, the result being 1s. 3d. per quarter higher than the Gazette average price of British wheat during that period."—Blue Book, Cd. 1761, pp. 120-2.

<sup>1</sup> The following average annual prices of home-grown wheat are calculated from the official returns, for a year beginning with May and ending with April, so as to more nearly correspond with the year of the duty :

1901-2, Duty Free.	1902-3, Duty 1s.	1903-4, Duty Free.
27s. 0½d.	27s. 3d.	27s. 6½d.

According to the Blue Book (Cd. 1761) the price of wheat in New York market was 1s. 3d. higher in the year of the duty than previously. It was higher still in the year following the remission. Accordingly, in both American and English wheat there is a natural rise during this period, which must be allowed for before the duty of 1902 is made responsible for the rise in England.

<sup>2</sup> "I believed it better that the duty should be repealed than that it should be used as the first step in a policy of preference or protection . . . a duty which I still think, as I told the House two years ago, . . . when once established would do very little practical harm, . . . and the repeal of which, as far as I know, *has done no good whatever to anybody*."—Speech by Sir Michael Hicks Beach in the Budget debate, 1904, on the repeal of the corn duty (1902).

against the sugar duty, which they said was falling upon themselves rather than upon their customers.

"Mr. Edwards, in introducing the deputation, said that . . . an attempt to put the duty on the price was immediately followed by large falling off of the demand; it was impossible in many cases to hand the duty on to the customer, because a large quantity of the goods manufactured in the confectionery trade was sold at two ounces a penny, and a duty of a halfpenny per pound could not be distributed over such small purchases . . .

"Mr. R. Johnson, president of the National Union of Mineral Waters Associations, said that . . . the price of these cheap minerals was usually a penny per bottle, and it could not be increased, or the consumer would drink beer instead. . . . Mr. J. J. Ball . . . said that . . . it was impossible to increase the price to the consumer, as the size of the bottles was fixed by the enormous stock in hand, and as a fractional increase per dozen in the price charged to the retailer would extinguish his profit."—*The Times*, Jan. 14, 1905.

Here then are manifest indications of a considerable revenue having been raised by non-competitive import duties, in excess of the amount contributed by the consumer. It seems sound principle, when operating upon articles of domestic consumption, to levy the duties upon wholesale quantities, such as the ton or hundredweight, rather than on retail quantities, such as the pound of tea or sugar, because the wholesale duty cannot always be passed on intact to the consumer. There need be no apprehension of extinguishing the retailer by such a process, because generally he is a necessity to the anterior interests, represented by the manufacturer, merchant, or foreign producer. The ultimate incidence of such taxation seems to tend in the direction of the producer, because his interest is not well served by agents, whether manufacturers or distributors, who do not find an adequate profit in handling his material.

It remains to consider the protective aspect of the proposed duties. Sometimes reformers, in their anxiety to allay the old-fashioned prejudice attaching to the term "protection," deny that the question of protection is involved. Yet there is appreciable protection, if only in the sense that conditions of competition are modified in favour of home

industries by the mere transference of a certain amount of taxation from the home producer or manufacturer to his foreign competitor. For such a transfer lessens the cost of home production and increases the cost of foreign production, which assists home industries to hold their own just as effectively as a correspondingly higher selling price. This is the special sense in which the food duties may be welcomed as a measure of protection to English agriculture. Tea and sugar are large items in the household expenses, both of labourers and of the farmer who boards men in his own house. The income-tax affects many farmers; and all of them are specially sensitive to local rates. These taxes increase the cost of agricultural production. Hence tariff reform, by drawing a revenue from the foreign competitor in partial relief, whether direct or indirect, of those taxes, is calculated to help agriculture even if it fails to raise prices in the slightest degree.

The controversy which rages over the term "protection" has been characterized by considerable confusion of definition. According to one eminent English statesman, protection

"is a policy which aims at supporting or creating home industries by raising home prices. The raising of home prices is a necessary step towards the encouragement of an industry under a protective system. . . . If the prices are not raised, the industry is not encouraged."<sup>1</sup>

It is a pity that Mr. Balfour, who made the above statement just after twitting his opponents with their use of a "well-known form of fallacy" in logic, should have given his authority to a blunder which may be described in identical language. For he has defined protection by reference to a non-essential attribute, which is not even a constant attribute. Modern protection aims at supporting home industries, not by raising prices, but by restricting imports, so as to give the home manufacturer that stable and extensive market which, nowadays, often is the indispensable condition of production at the lowest cost. Whether or not such

<sup>1</sup> Mr. Balfour at the Scottish Conservative Club, in Edinburgh, Oct. 3, 1904.

restriction happens to raise home prices depends chiefly upon the nature and extent of home production and home competition; which, free-traders are apt to forget, may be quite effective in keeping down prices without the intervention of the foreigner.

But Mr. Balfour's definition is a useful contribution to the discussion, in so far as it recognizes the propriety of defining and naming fiscal systems according to their intention, or at least according to their main result, instead of according to a chance by-product. Thus "revenue-tariffists" beyond the seas adopt that title because they say the primary intention, and in fact the main result, of their system is to raise a large revenue upon the easiest terms; whereas the primary intention, and main result, of a protectionist tariff is to restrict imports. In so far as even moderate duties tend to restrict competitive imports, by destroying the weakest of the dutiable suppliers, a certain degree of protection is admitted to be "incidental" to a revenue tariff.<sup>1</sup> In so far as stringent duties fail to exclude imports altogether, a certain amount of revenue is an "incidental" feature of a protective tariff. Likewise Mr. Balfour himself claims a

<sup>1</sup> The following account of the Canadian tariff is taken from the official Memorandum which the Canadian Government laid before the Colonial Conference of 1902 (Report, Cd. 1290, p. 123):

"Referring to the general statement . . . that Canadian policy remains protectionist in spite of the preference to British goods, it may be stated that the Canadian tariff was framed *specially for revenue purposes, with protection as an incident*, and that it admits reasonable British and foreign competition with the domestic manufacturer and producer,—it is not in any sense prohibitory. This is evidenced by the facts that the imports of dutiable goods are very large, and that they have increased very considerably in recent years. In 1897 the total dutiable imports were \$66,220,765, whereas in 1901 they amounted to \$105,969,756.

"Even the general rates, which are one-third higher than the preferential rates, do not discourage importations, as is seen from the fact that the dutiable imports from countries not entitled to the preference have largely increased. During the fiscal year 1896-97 the dutiable imports from countries not now enjoying the preference amounted to \$44,888,582, and they increased to \$72,558,286 in 1901. Foreign countries having increased their trade with Canada, of course it follows that Great Britain, with the advantage of the preference, has been in much better position to do so."

special label for his own policy, on the ground that its intention is to retaliate. Were a regular policy of temporary duties not precluded by the importance of commercial stability, a certain amount both of revenue and of protection would be incidental to its operation.

Whether the duties proposed by Mr. Chamberlain belong to the revenue category or the protective category is an academic question which depends, in the first instance, upon the anticipations formed by the individual critic himself, and ultimately upon the extent to which those anticipations are fulfilled or disproved by the results obtained. If imports are not appreciably restricted by the duties, then the revenue gains directly and home industries indirectly. If imports are restricted to an appreciable extent, making this the main result of the tariff, then the revenue loses for the time being, but derives compensation from the increased taxable capacity of the country, which is concurrent with the extension of home industry. It is only on paper that revenue-tariffism is a suicidal system, owing to the effect of "incidental protection" in restricting imports.<sup>1</sup> Indeed, the latter feature has become so popular beyond the seas, in Canada for example, that the revenue-tariffists maintain much higher rates of duty upon competing imports than are required to produce the largest amount of direct revenue. If, hereafter, the paramount consideration for England is customs revenue; and if the new duties, however moderate in themselves, prove unexpectedly restrictive of dutiable imports owing to an abnormal abundance and intensity of duty-free competition, then revision will be required. In that contingency the obvious amendment of the original plan would be to make colonial produce dutiable, but at a lower rate than foreign produce. Thereupon the principle of imperial preference in the English tariff would be the same as that which is in favour beyond the seas. The yield of the tariff would be greatly increased. At the same time, its "incidental" protection of home agriculture would become more pronounced—possibly to the extent of raising prices, unless an agricultural revival had taken place in the meantime.

<sup>1</sup> Cf. *supra*, footnote, p. 257.

The idea that revenue-tariffism is only the prelude to high protection finds expression in various disparaging phrases, such as "the inclined plane," or "the thin end of the wedge." The free-trade prejudice thus tries to give a disagreeable complexion to the world-wide fact that revenue duties upon competing imports have a tendency to grow into protective duties. To the anti-reformer this tendency signifies a peculiar and insidious corruptive influence, which, in default of a more reasonable explanation, may be called the devil in the tariff. It is easy to argue that this section or that section stands to gain by an increase of duty; to assume that the interest of the particular section necessarily is antagonistic to the national interest; and to infer that corruption of the American type, although it is not conspicuous in France, Germany, Australia, or New Zealand, is the necessary consequence of protective duties. The argument of the nursery and the monastery—that frail human nature must be preserved from contact with the wicked world, even at the cost of manly evolution—does not commend itself to those Englishmen who retain some faith and pride in the strength of their own national character, and who refuse to discard a potent instrument of national progress just because it happens to have a sharp edge. The cry of corruption might be raised with equal justification against any of those proposed social reforms which involve State interference with private interests. But in the case of protection, is there any occasion at all for the hypothesis of the devil in the tariff? It seems more reasonable to suppose that the devil himself could not impose protection upon a democratic country if the consumer, with his overwhelming preponderance at the polls, was being strangled by the process, as these critics would have us believe.

The fact is that, under any fiscal system whatever, the representatives of material interests, exercising the right of taxpayers to be consulted in national policy, make their influence felt, and succeed just so far as they are able to carry the democracy with them. Thus in Little England, the free-importers have controlled the Government for the last half-century, only because their fiscal doctrine has been



accepted by the nation and their private interest has been misconceived as the national interest. The British Government, which the anti-reformers allege to have been free during this period from commercial dictation, endowed the cotton magnates with millions of Indian money when it ordered the imposition of the excise duty in 1894, under pressure from Lancashire which had the support of the democracy. Again, in 1903, it endowed certain middle or foreign-producer interests with over £2,000,000 per annum when it repealed the corn duty, acting under pressure which was condoned by the prevailing Cobdenite sentiment; although the repeal increased the taxation of the country by the amount of revenue thus surrendered, because the money had to be raised by taxes on the consumer instead.

The moral issue in the fiscal controversy is not the question of political purity *versus* political corruption, but the question whether the controlling material interest is to be the interest of the foreigner and his English agents, backed by the interest which exploits India for the benefit of Manchester; or, on the other hand, the interest of Little England, as represented by the employers and employees in every home-producing industry, and the interest of an honest imperial administration, unselfish in action as well as in mere profession. The tendency of revenue-tariffism to engender protection implies nothing more pernicious than fiscal experience superseding fiscal superstition. The democracy, having experimented with revenue duties upon competing imports, finds that the predicted disasters are not occurring; whereas, in addition to revenue, there are certain tangible advantages apparent in home employment. Accordingly it readily attempts to increase these advantages by raising the duties, and perhaps continues the experiment until it oversteps the mark, as in the United States to-day. Then there arises a demand for "revision," i.e. not a return to free imports, as the anti-reformers sometimes hint,<sup>1</sup> but

<sup>1</sup> "We were arguing whether we should do better or worse in protective bonds, while in the United States people were arguing how it was possible to disentangle themselves from such bonds without injustice to vested interests or dislocating the established trade machinery. There

merely a return to a more scientific scale of duties. It is quite impossible to imagine a return to the Cobdenite revenue system by any nation which has entrusted its destinies to the practical instinct and business experience of democracy, rather than to the academic influences which sometimes have captured an oligarchic administration. Indeed, is there any party which advocates that policy outside England?

The antiquated notion that protection necessarily raises prices in the home market, and is a failure in proportion as it fails to do so, perhaps has originated in too exclusive an observation of those young countries in which industries have to be created from the beginning, and imports are restricted before home industry is sufficiently developed to meet the normal home demand. Under such conditions high prices are an inevitable result, until internal resources are adequately developed. When once the latter stage has been reached, protection does not necessarily raise prices except to the extent which represents comparatively dear raw material, or a high standard of living. Even then, assuming dear labour, a protective duty, if it assures the home market and consequently a large scale of production, may prove "the very mother of cheapness." The example of agricultural machinery in the United States is the more instructive in that dear machinery is one of the pet bogies with which anti-reformers try to terrorize the English farmer into conservatism.<sup>1</sup> For the fact is that the "tariff-ridden" farmer of the United States is able to buy his machinery not only relatively but actually cheaper than his free-trade

was a powerful undercurrent running in the United States in favour of gradual revision and modification of their tariff. The revolt against high protective tariffs was there growing too strong to be long resisted. We should certainly think twice or thrice before we established a system which America found it so uncommonly difficult to get rid of."—Mr. Morley at Brechin, Jan. 10, 1905.

<sup>1</sup> "But now the Chambers of Agriculture are about to support a policy which is intended to . . . increase the price of . . . the machinery of which they make use, . . . the amount of American machinery which is taken by our farmers I cannot presume to estimate."—Lord Rosebery at Edinburgh, Dec. 14, 1903.

competitor in England,<sup>1</sup> or indeed than any other farmer in all the world. Meanwhile, the American artisan enjoys all the advantages of employment in a vast industry, commensurate with the extent of the American home market; whereas the corresponding industry in England represents only a fraction of the English home market, the other portion being used as a surplus market by the foreigner, who does not find it worth while to give England so much as the illusory benefit of a "dumping" price. Even in Canada, where the home market and the dependent industry are much more limited than in the United States, the farmer buys machinery much below the English price, though usually not so cheaply as his American rival. For Canada, having resolutely "spoon-fed" her infant home industries, under the National Policy, for some years past has been able to boast of "the largest implement works under the British flag," which seems to imply also the cheapest production under the same flag, despite dearer labour and dearer raw material than in England.

Further, the manufacture of agricultural machinery in the United States is, for the most part, in the hands of a Trust. A prohibitive import duty, plus a Trust, represents the very *acme of protectionist mischief* in the orthodox view. The fact that, nevertheless, the product of the Trust is sold more cheaply in the home market than the same or similar articles are sold anywhere else in the world suggests some reflections upon the monopoly bogie. The dreaded monopolies may be classified in three categories, namely combines which control the supply of raw material, transportation, and manu-

<sup>1</sup> See Appendix to this chapter. Probably a thorough investigation would prove that many *factory-made* articles of extensive domestic use are at least as cheap in the United States as in England—such as furniture, utensils, boots, and workmen's clothing. The notion that everything is dear in America may be traced partly to the fact that articles not factory-made, or not manufactured extensively, necessarily are dearer than in England, owing to the higher rate of wages and standard of living; partly, also, to the tales of travellers who have purchased articles of luxury, such as clothing of European materials; which purposely are taxed heavily, even if the prospect is remote of domestic manufacturers producing the same qualities.

factured articles respectively. Most of the American combines which provoke so much antagonism belong to the first two categories. Against them free trade is little or no safeguard. England suffers from corners in wheat, cotton, and the like, despite her fiscal system. Again, English railways no longer compete with each other in freight rates; and English shipping rings are formed to promote foreign trade at the expense of British trade, as in the case of South Africa.<sup>1</sup>

There remains the third category, namely, combinations of manufacturers, which undoubtedly are facilitated by the imposition of duties on competing imports. But the risk of extortion is limited to those particular manufactures in which it pays the combine to raise prices. The policy of raising prices, apart from the consideration that it endangers the monopoly by inducing others to enter the business, seldom

<sup>1</sup> "In proof of the fact that it is no hollow cry when we say that the Shipping Ring is encouraging American trade in South Africa at the cost of British trade, we will proceed to quote figures which should establish the truth of the contention beyond doubt. It must be borne in mind that New York is almost a thousand miles farther away from Durban than the British ports of loading, and yet we find that the cost of shipping various commercial goods to Durban from the United Kingdom and New York respectively can be accurately placed as follows:—

Articles.	From United Kingdom.	From New York.
	s. d.	s. d.
Spirits . . . . .	52 6	17 6
Agricultural machinery, provisions, oilman's stores . . . . .	40 0	17 6
Mining machinery, candles, beer .	32 6	17 6
Furniture, wire-fencing, soap, aerated waters, bricks . . . . .	30 0	17 6
Deals . . . . .	27 6	17 6
Galvanised iron . . . . .	25 0	17 6
Cement . . . . .	22 6	17 6

In the case of the freights from the United Kingdom must be added 10 per cent. for primage, which is refunded, as will be generally known, by the conference lines after the lapse of a period of six or nine months from any half-year, provided shippers have been 'loyal' to the members of the Shipping Ring, and have not shipped their goods by any line of steamers outside the conference lines."—*Natal Witness*, Aug. 20, 1904.

compensates the manufacturer for the restricted or intermittent output which often is the consequence of a decreased demand. The policy pays only when the manufactured article is one for which the demand is not directly governed by the price. So far as the extent of the demand depends upon lowness of price, the policy of cheapness pays the manufacturer best. Thus in America, the combine can raise the price of steel rails, because the railroads, when they have completed their elaborate arrangements for construction work, cannot afford to wait indefinitely for a drop in steel rails. On the other hand, the price of agricultural machinery seems to be lowered to the full extent of the advantage which monopoly gives in low cost of production; because a farmer will not buy a new machine if he thinks it dear, but will make shift with the old one year after year. In any case, it seems questionable whether it is the part of a political progressive to denounce protection because it facilitates monopoly. For what is monopoly except an advance beyond the crude wastefulness of over-production and competition, and a necessary stage upon the road to national control of industries? It is comparatively simple for the State to acquire control when the preliminary consolidations have been effected by private enterprise. Thus, when lately the British-American Tobacco combine was extended to embrace Australia, the short-lived Labour Ministry took up the question of transferring the monopoly to the State.

The invention and application of agricultural machinery in America is a commentary also upon another antiquated Cobdenite axiom, namely, that protection kills the energy of the protected manufacturer or farmer. It is curious that anti-reformers, when they bid the English manufacturer "wake up" and follow the American or German example of commercial enterprise, or when they talk of bringing English technical education up to the American or German standard, never seem to detect any connection between modern education, or enterprise, and modern fiscal policy. The protectionist, for his part, can point to the keenest spirit of enterprise on earth in protectionist countries; and so far

is justified in explaining the alleged lassitude of British manufacturers or agriculturists by the notion that their traditional spirit has been broken by unequal competition, and their native energy drugged with the official opium of *laissez-faire*. However that may be, the free-trade dogma upon this point is absolutely disproved by the experience of the modern world.

Even upon the assumption of higher prices being a necessary consequence, the principle of protection, like that of revenue-tariffism, already is the deep-rooted instinct of the English democracy, in those practical spheres of business which come home to it more nearly than the national administration. Trades-unionism is based upon the instinctive theory that cheap production is not the supreme goal of economic science, as applied to human life. Again, local authorities are habitual exponents of the doctrine, abhorrent to the academic Cobdenite, that it is sound fiscal policy to "spend the money in the country" rather than outside it. They give a preference to the local tender for the execution of local works, even if it is a trifle higher than that of the outsider. Especially in times of distress, it is felt that it is a better policy for the ratepayers even to "make work" than to incur the responsibility of maintaining the unemployed out of the rates with no return of any kind. When the same principles are advocated in relation to national fiscal policy, the anti-reformers cloud the issue with the artificial technicalities of imports and exports. Any restriction of imports, so they preach, involves a restriction of exports, *i.e.* of home industry. For the time being they ignore the bearing upon the problem of the home trade, which is the uppermost consideration with both the local and the national protectionist. The latter looks with equanimity upon a restriction of foreign trade, so long as there is a prospect of a corresponding increase in those internal exchanges which usually are more profitable than any other kind. Even the carrying trade — sometimes a triumphant example of the policy of "making work" — is miserably inadequate compensation for the neglect of that agricultural raw material which is the most valuable and permanent industrial asset

of any nation, and the utilization of which would create a larger and more profitable market for English manufactures than the most aggressive jingoism of the exploitative Cobdenite can hope to win across the seas. For the development of English agriculture involves neither the forcing of the door in India or in China, nor the continuous increase of a three-power navy to insure the foreign food supply of a street-bred nation. Yet it is noteworthy that the leading British ship-owners have ranged themselves with the reformers, in the expectation that protection will change the conditions of foreign trade to their advantage. They say it is more profitable for them, if their ships are seaworthy, to export British manufactures and bring back raw material, than to export coal in return for foreign manufactures.

Again, the local resident who spends his modest income upon local labour and the local tradesmen is preferred to the richer resident who spends less in the neighbourhood. Yet the anti-reformer, judging the matter by the income tax, tells us that it makes no difference to national prosperity where the growing income originates, or where it is spent.

So ingrained is the protectionism of the local democracy in England, that the continental system of local revenue, known as the *octroi*, probably would be more congenial to it than that of the market tolls, were the former not prohibited by national laws. The principle of the *octroi* is the establishment of stations upon the highways leading into the town, where tolls are collected upon the various articles brought in by outsiders for sale. Thus the townsman, if he happens to be a producer within the town area, escapes paying toll, and is so far protected; whereas in England he pays toll for the privilege of selling in his own market, on the principle of Excise. The continental system appears to be a survival from the pre-national era, when the city, notably in Italy, was regarded as the economic unit, and now is disappearing rapidly in obedience to nationalism, which forbids internal differentiation of that kind. On the Continent the theory of the nation as the economic unit has been developed so far that the national fiscal policy resembles that of the *octroi* applied by the nation instead of by the city. Only in

England the cosmopolitan Cobdenite, professing to have adopted the theory that the whole world, and not the nation, is the proper economic unit, abandoned the policy of national selfishness, and threw open his national market for the indiscriminate use of the whole world—just as national governments throw open the town markets for the use of the whole nation upon equal terms.

Yet the original Cobdenites do not seem to have been wholly disinterested in their cosmopolitan professions. While appearing unpatriotic, perhaps they had their full share of national, if not of sectional, selfishness. They adopted free trade in the hope that other nations would do likewise, which was expected to benefit English manufacturers, because they had the strongest industries and wanted foreign markets. So in the old days, one can imagine a continental city, having succeeded, by means of the *octroi*, in establishing strong industries within its own area, suggesting to its less successful neighbours that it would be a grand thing if all were to give up the *octroi* system and concede mutual free trade. The ambitious city, seeking a larger market, would have exploited the sentiment of a common nationality, which perhaps would not appeal to neighbouring cities having no prospect of commercial gain; just as the Cobdenites exploited the sentiment of cosmopolitan brotherhood, which other nations did not share; and which, if it conflicts with patriotism, they are never likely to feel more sincerely than did the English commercial classes of fifty years ago.

The victory of tariff reform is assured, because it is based upon certain fiscal instincts of the English democracy which half a century of Cobdenite preaching has failed to impair. The task is merely to bring the problem of the national revenue out of the academic clouds, and into touch with those popular conceptions which already exercise an undisputed control in the domain of local fiscal practice. It is an appeal to practical experience, endorsed by the actual practice of all civilized nations except one; whereas the anti-reformers appeal to a worn-out dogma, which has been rejected by the deliberate judgment of the whole remaining world, as represented by national governments.



Nor is the case for reform in the least affected by the prospects, if any, of obtaining revenue from other new sources. Some propose to make a further levy on the liquor trade; although any temperance measure must fail as a source of revenue in proportion to its success in diminishing consumption. Others imagine a panacea in the taxation of urban land values, the revenue from which assuredly will be claimed by the local rating authorities. Others talk of graduating the income tax, which already has been graduated scientifically by that masterly measure, the Finance Act of 1894. Lastly, there is the familiar expectation that public expenditure can be retrenched drastically, and confined for the future within the reduced limits. Yet even the army, which is the only specific department commonly mentioned in this connection, cannot be reformed without increased expenditure in certain directions, which will go some way towards the absorption of economies made by reduction of numbers. On the other hand, the navy is not likely to be starved by the party whose policy renders the country more and more dependent upon foreign food supplies and foreign trade. In any case, the experience of the past forbids sanguine anticipations; for reckless retrenchment by one government generally has involved increased expenditure by the next, if not panic expenditure. Assuming, however, that the Estimates could be reduced by half, there would still be exactly the same case for raising the required revenue by the easiest and most beneficial method, instead of by the most burdensome and destructive.

Lastly, Little England, having staked her national existence upon command of the seas, cannot afford to neglect the imperial aspect of tariff reform as the foundation of an imperial alliance. On the one hand, the anti-reformers can offer her no prospect of diminished naval taxation, except the dream of a universal disarmament, such as has deluded the visionaries of two thousand years. On the other hand, the reformers are but taking the first step in a practical policy which will transfer to the younger white nations of the Empire, as they grow to national manhood, first the naval stations in their respective territories, and ultimately the

squadrons operating therefrom. A policy which eventually connotes a command of the sea less precarious than hitherto, and at a third of the proportionate cost of the present system to the English taxpayer, surely is a national policy for Little England.

## APPENDIX D.

## CASH RETAIL PRICES OF AMERICAN AGRICULTURAL MACHINES

	U.S.A.			ENGLAND		
	£	s	d.	£	s	d.
Self-binding Reaper, six-foot cut, complete with carrier, any leading American make being about the same in price . . . .	28	0	0	31	0	0
"Deering" Giant Mower, six-foot cut, complete . . . . .	10	0	0	14	10	0
"Osborne" Mower, five-foot cut, complete . . . . .	8	15	0	13	0	0
"Plano" do do do . . . . .	8	6	8	12	0	0
"Plano" eight-foot Horse Rake do . . . . .	4	3	4	6	0	0

The English prices in the above table were obtained from an implement agent in an English country town. The American prices were obtained by post from an implement agent in a town in the Northern States. The machines selected for comparison are typical of those which happen to be used extensively on both sides of the Atlantic. The prices refer to the season 1904.

The price quoted for the self-binder in England was £33. But £2 has been deducted in the above table on account of a road transport truck, which it is not clear that the American agent included in his quotation, but which usually goes with the machine in England.

At the free-trade port of Sydney, New South Wales, in 1899, the cash price of this machine, as quoted by the Sydney agent to the writer, and in conformity with a printed card, was no less than £53 (including transport truck), being dearer than the contemporary price quoted in protectionist Victoria or New Zealand (although the machine was not made, nor dutiable, in those countries), and nearly double the contemporary price in the United States or even Canada. This example of the Cobdenite blessing in a young country, which had abjured the temptation to "spoon-feed" home industries, was

explained by local agriculturists as the result of a shipping ring—that frequent offsprings of an importer's monopoly.

The American prices above quoted have been about the same for several years past. On the other hand, the English prices were much higher a few years ago. For example, the price of the self-binder was about £38 in 1898, and dearer still a few years earlier. The fall in price seems to be due to more energetic competition by English manufacturers. In order to obtain a further reduction, and to approach the low prices beyond the Atlantic, it seems advisable to extend to English manufacturers the same opportunity of large production, and even of combination, which their American rivals have enjoyed, and which they seem to have utilized to the great advantage both of the American farmer and the American artisan. As it is, the English-made machines are about the same in price, or somewhat dearer than the imported machines. They are now similar in design and construction, and are not usually credited by farmers with any marked superiority in quality over imported machines. Indeed, the reputation sometimes is the other way.

In Canada the price of the self-binder, the most complicated and costly of agricultural machines, which is largely manufactured in Canadian factories, now seems to be about the same in the East as that quoted for the States. On both sides of the boundary machinery naturally is dearer in the West.

The American agent was asked to quote the prices of the Canadian machines, which in England are almost as familiar as the American. His reply was brief and to the point—"Not known here." So much for the Dingley Tariff!

The foregoing considerations throw some light on the statement, continually made by anti-reformers, that protection necessarily means dear machinery for farmers. It appears that, for years past, the American farmer has been supplied much more cheaply by his protected manufacturer than the English farmer by his free-trade manufacturer or free-importing agents. Apart from the free-trade dogma, this result is only what common sense would expect. The American manufacturer produces more cheaply than the English, because his home market is larger and secure. When his machines are exported, they are charged by about seven middlemen before they reach the English farmer. On the other hand, the English-made machine is only charged by two middlemen, namely, the English railway and the local implement agent; but, being dearer in cost of production, owing to the restriction and disturbance of the home market by foreign competition, it is sold no cheaper than the imported machines.

From this point of view the five extra middlemen, who have to be paid out of the English price of an imported machine, are a costly superfluity.

What becomes, then, of the orthodox axiom that a protective duty upon an imported article raises the price of the home-made article also by at least the amount of the duty? Upon that theory the price of these American machines in the United States could be ascertained by deducting freight and other middle charges from the English price, and adding the amount of the American import duty. The result would be prices about 50 per cent. above the figures quoted. In this instance it is more true to say that free trade raises prices by at least the amount of the special middlemen's charges. Whatever the ground of the orthodox theory at the time it was formulated, it is now hopelessly discredited as an economic generalization of the results which follow the protection of home manufacturing industries.

It is rumoured that in the coming season (1905) English implement manufacturers intend making a determined effort to oust the Americans by an important reduction of prices, in which case there is likely to be an interesting struggle. In comparing prices it is necessary to bear in mind that the same machines are sold in different sizes. Thus, it is always possible to obtain a binder with a five-foot "cut," and without a sheaf-carrier at considerably less than the prices quoted for the larger and complete machine.

## CHAPTER XII

### IMPERIAL PARTNERSHIP

#### (I.) THE PARTNER-STATES

"And when I speak of *our* colonies, it is an expression ; they are not ours—they are not ours in a possessory sense. They are sister States, able to treat with us from an equal position, able to hold to us, willing to hold to us, but also able to break with us. I have had eight years' experience. I have been in communication with many of the men, statesmen, orators, writers, distinguished in our colonies. I have had intimate conversation with them. I have tried to understand them, and I think I do understand them, and I say that none of them desire separation. There are none of them who are not loyal to this idea of Empire which they say they wish us to accept more fully in the future, but I have found none who do not believe that our present colonial relations cannot be permanent. We must either draw closer together or we shall drift apart."—Mr. Chamberlain at Glasgow, Oct. 6, 1903.

It has been the purpose of the foregoing pages to exhibit colonial nationalism as a force which latterly has exercised a decisive influence upon every side of the colonial relationship, and thus has become the paramount factor in the problem of imperial union. As one large imperial issue succeeds another, whether the object be a diplomatic dispute or the waging of war, naval contributions or military organization, judicial reform or preferential trade, the development of each reveals the impetus of centrifugal national tendencies, counteracting the efforts of British statesmen to promote federal union with the self-governing colonies.

Premising that the national self-assertion now characteristic of Canada and Australia is neither accidental nor temporary, but signifies the inevitable mastery of a racial and geographical over a political situation, it is safe to forecast the future development of a similar tendency also in New

Zealand and South Africa. As affecting the problem of imperial union, the nationalist movement, led by Canada and Australia, is defining rapidly the limitations which any such union must respect. The popular habit of alluding to "the British nation," in a sense inclusive of colonial peoples, already is an anachronism. It has become evident that the fundamental principle of any real advance towards closer union must be the frank recognition of independent national instincts in the four principal self-governing colonies, in varying stages of evolution.

But that recognition involves the rejection of the imperialist conception which hitherto has been current in the mother country. In general, it is clear that the union, if any, must resemble an alliance of independent nations rather than a federation of scattered States inspired by the idea of a common nationality. The objects and organization of the alliance must be such as to satisfy nations jealous of their independence. In foreign relations it is out of the question that Canada, for example, should acquiesce for long in the present system, permitting her territorial claims to be surrendered by a distant Power which happens to have become entangled financially with a South American Republic. Nor can the system be perpetuated if modified in a manner which would leave it open for a majority of votes from other States to overrule the Dominion in matters affecting her national interests more vitally than did the Alaskan question. In contrast to federation, the principle of alliance would leave intact the sovereign right of each ally to act upon its own responsibility in foreign affairs in the last resort.

Again, the possibilities of imperial commerce are modified profoundly by the admission of the nationalist principle. The conception of a Zollverein, in the same sense of free trade within the Empire, and a ring fence of protection outside, is visionary. The Zollverein has proved an admirable instrument for welding together the loose fragments of a nation. But it is wholly unadapted for promoting the harmony and welfare of a group of separate nations seeking the advantage of co-operation. Once the nation is accepted as the economic unit, it does not matter in what part of the

national territory manufacturing industries are located. It is a detail of no consequence to Englishmen whether the factory is in Glasgow or in Birmingham, and to Canadians whether it is in Ontario or in British Columbia. But Englishmen and Canadians, being conscious of separate nationalism, alike are concerned to create and maintain somewhere in their respective countries the greatest amount of employment for their own people, regardless of whether in the abstract the particular industry is more "natural" to the one country than to the other. From the nationalist standpoint, any industry is "natural" which can maintain itself by the aid of that reasonable protection which it is the "natural" function of a national government to extend to home industries. "Artificial" conditions are introduced only when a national government repudiates its national responsibility, by letting home industries take their chance. Accordingly it is not the necessity of raising revenue, so much as a nationalist instinct towards economic aggrandizement, that guarantees the permanence of the antagonistic tariffs. Reciprocity in trade can be arranged only upon a basis of mutual advantage, in the form of commercial treaties between independent nations; not upon a basis of mutual loyalty, irrespective of individual gain, which is possible only where the political union of a nation is the acknowledged goal.

Finally in organization for defence, the principle of alliance secures to each nation perfect freedom to develop and control its own military and naval resources, in such a manner as will not tend to prejudice the national safety supposing the alliance to be terminated suddenly. To satisfy the primary instinct of self-preservation, it is obvious that each ally will insist upon maintaining and controlling its own army and navy, instead of subscribing money or men to a common organization.

The idea of such an alliance as the ultimate constitution of the Empire may be disappointing to the advocates of imperial federation.<sup>1</sup> Yet it is a debatable question whether the latter system, were it practicable, eventually would serve the national interests of England herself. Hitherto the

<sup>1</sup> Cf. the Duke of Devonshire's opinion, *infra*, p. 282.

fascination of that dream has been the assumption that the mother country, as the most populous and wealthy State, always would have a controlling voice in the direction of imperial policy. Yet such predominance necessarily must pass to Canada within a time short in the life of nations ; and in the end England would rank only above New Zealand in an imperial legislature elected by the five nations upon a democratic basis. Again, in the matter of tariffs, does not the present fiscal controversy foreshadow the time when England, so far from advocating imperial free trade, will insist upon her national right of protecting her native industries, with the desperate earnestness of a country comparatively ill-endowed with natural resources and robbed by time of accidental advantages ?

However that may be, such speculation is beside the mark. For the question is, not whether imperial federation is a consummation to be desired, but whether, federation being impossible, there is an alternative in the form of alliance. Those who cherish the Empire as students of a story superhuman in romance, or who themselves have touched the hundred phases of civilization depending upon the British flag for orderly progress, will not readily persuade themselves that an evolution so majestic is drawing thus early to the crisis of disruption. To them the fact that the growth of colonial nationalism has dispelled the dream of imperial federation signifies not the approaching dismemberment of the Empire, but only a mistake made by the over-confident practitioners of historical science, and by the statesmen who have drawn from that risky source the inspiration of their imperial policy.

The quest of modern students of history after a single formula comprehending the evolution of the Empire as a whole, seems chiefly to be responsible for a popular misapprehension of the characteristics which distinguish the British Empire of to-day from all its contemporaries or predecessors. "The Expansion of England" is a phrase signifying the idea of a territorial expansion of the British nation ; like that of the American nation over the territories west of the Mississippi, which has not proved incompatible with



the maintenance of a national union under a federal government. Had the exponents of the "expansion" theory confined their conception to the spreading of the English over Canada, Australasia, and South Africa, their idea would have been legitimate enough; even though time already is proving that the expansion has been racial, not national; heralding the birth of separate nations, not the enlargement of the old nation; while the dominant influence is not the unifying consciousness of a common nationality, but the centrifugal impetus generated by a sentiment of national distinctiveness.

But the so-called "expansion of England" was not confined, popularly at any rate, to the territories which are now being occupied by autonomous populations of white men. The popularized formula was stretched, despite the warning of its author,<sup>1</sup> to embrace the growth of British dominion in India as well. Consequently, the theory of a Greater Britain has been exposed by its logical completion to effective attack from those critics who, while too insular to dispute the soundness of the conception as regards the self-governing colonies, have pointed triumphantly to India as the insuperable obstacle to the fixation of England's expansion by the agency of federal principles. "What will you do with India?" has been the pertinent question of a past generation of anti-federalists, and of the critics of Mr. Chamberlain at the beginning of the new century.

Indeed, the inclusion of India involves the *reductio ad absurdum* of that imperial-federation theory which forms the logical complement of the expansion-of-England theory. The latter now safely may be treated as a purely artificial hypothesis; a useful aid in its day towards the lucid co-ordination of historical incidents, but a dangerous imposture if regarded as a scientific principle, by reference to which the present generation of Englishmen may understand the trend of their imperial destiny, and shape their political endeavour in harmony therewith.

The modern starting-point of constructive imperialism must be the admission that it is impossible to imagine any parallelism whatever between the connection of England with

<sup>1</sup> Cf. "The Expansion of England"; by J. R. Seeley. 2nd Course, Lect. I.

India and the other dependencies on the one hand, and with the colonial States on the other hand. Those two great divisions of the Empire, differing radically in their constitutional nature, differ also in the comparative urgency of the problems they present. Englishmen of to-day cannot escape the colonial question, because the growth of the colonies into nations necessitates a corresponding change in the colonial connection, unless the coming nations, repelled by the restrictiveness of the imperial system, are to drift apart altogether. On the other hand, there is no irrepressible demand for any change in the connection of England with the subject dependencies, which might remain outwardly the same, even while the new nations peacefully severed themselves from the mother country. Doubtless, it was impossible for the imperial federalists to exclude India from their constructive schemes, because, apart from the temptation to frame a uniform or comprehensive system, the military liability of England in her dependencies must have proved a deterrent to the other States; just as the negro question in America would deter the Canadians, were they otherwise agreeable, from transforming their Provinces into responsible States of the American Union. But those same imperial liabilities do not make England the less desirable as an ally, because the ordinary terms of alliance between independent countries do not reach so far. Thus it would be possible for England gradually to exchange her colonial connection with Canada, Australia, New Zealand, and South Africa for an alliance with those countries, irrespective of her possession of dependencies; just as the Triple and Dual Alliances do not impose upon Austria or Russia any responsibility for the African protectorates of their respective allies.

Yet the idea of a mere alliance does not satisfy the well-established faith of English imperialism. It fails to provide for the future organic unity of the Empire, which Englishmen instinctively forecast from the circumstances of their past history. Further, in history alliances are ephemeral. Here, then, is the sense of a deficiency conflicting with the conviction that alliance is the only practicable form of permanent union between the white nations of the Empire.

The main deficiency may be filled by the conception that the dependencies of England themselves may supply the organic link, uniting the mother country with her daughter States in an imperial partnership adapted for carrying on the work of administering the subject countries. At the present time, it is true, the colonial nations have scant sympathy with the Roman imperialism of the English people, in which they have no part or lot.<sup>1</sup> Yet Roman imperialism—the imperialism of “The White Man’s Burden”—is becoming characteristic of English-speaking democracy. If the English nation has absorbed the idea of a national duty in the guardianship of India, its faith can be attributed, by hostile critics, to the perverse influence of aristocratic ambitions. But the same cannot be said of the American democracy, which, in defiance of its own traditions and of all predictions, now has definitely assumed the responsibilities of Roman imperialism. It is a commonplace that democracy sometimes acts by instinct regardless of the weight of argument; and the fact is illustrated clearly by the behaviour of the American people in determining the momentous question raised by the result of the Spanish War. Reason and precedent were all against the imperialists, who seemed to feel the hopelessness of the task which they had undertaken. Even so convinced an imperialist as Theodore Roosevelt shrank from the blunt issue, and sought to evade the traditional prejudice against Roman imperialism by describing the occupation of the Philippines as nothing more serious than the natural continuation of that “expansion” which already had carried the nation westwards, from the Alleghany Mountains to the shores of the Pacific. In effect he adopted the popular distortion of the “expansion-of-England” theory, and transferred it boldly to American soil. But the event proved the futility of so audacious a subterfuge. The American democracy, bewildered by debate, took refuge in its native instinct. Having all unwittingly become lord of the Philippine Islands, it resolved to accept the trust for

<sup>1</sup> Nevertheless, during the South African War large funds were raised in Australasia and elsewhere in relief of the Indian famine of that time.

no better reason than a childish faith in "manifest destiny."<sup>1</sup>

It is difficult to exaggerate the moral influence which the conversion to Roman imperialism of the American people ultimately may exert upon the sentiment of the new democracies within the British Empire. Canadians never have escaped the intellectual influence of the neighbouring republic, exerted through the channels of personal contact and of periodical literature. The magnetism of America is acknowledged by the Australians, who organized their Commonwealth upon the American principle of federation, and dream of a continental future rivalling the career of the United States. In South Africa the germ of Roman imperialism, unhappily liable to deformation by the local native problem, exists in the contagion of British, American, and Australian ideas through the corresponding elements in the new population. The fact that formerly the bias of colonial sentiment, notably in Australia, was against Roman imperialism, may be attributed chiefly to the tradition and example of the American republic, which was admired as the classical example of modern democracy untainted by old-world influences. Accordingly the conversion to imperialism of the American Republic may be expected to prepare the ground for a reaction in the younger democracies, just as the conversion of England to nationalism and protection would remove the mainstay of the Cobdenite tradition throughout the world.

Thus the contagion of ideas is likely to work a change in the attitude of those colonial democracies which hitherto have been indifferent or hostile to the principle of dominion over subject races. Yet it is within the power of British statesmanship to foster and energize this imperial instinct, and thereby to invest the prospect of alliance, not only with a wider scope and a nobler purpose than mere defensive or commercial interests, but also with a sentimental sanction—the sense of a common duty to fulfil; a sanction more

<sup>1</sup> The American fatalist instinct may be traced (*e.g.*) throughout the writings of Capt. A. T. Mahan. The writer was struck by the strength of this instinct amongst all classes of Americans at that time (1899).

potent and enduring than the sentiment of blood and tradition, which leaves out the Cape Dutch and Canadian French, and is worked sometimes so as to antagonize the impulse of all the native-born.

The difficulty of reducing an ultimate ideal into a present-day policy never has been more clearly illustrated than by the disheartening experiences of the imperial federalists. It is easy now to see how the conception of imperial federation conflicts with inexorable facts, so that an active policy embodying it was foredoomed to failure. The lesson learned, it devolves upon constructive imperialists to frame an alternative policy for to-day, with more regard for the natural tendency of colonial nationalism. Nor does the present political situation in England seem unfavourable to the introduction of new imperial ideals. On all hands the old ideals are being examined with renewed interest. The sense of crisis is admitted by many, who acknowledge that, as regards the colonial question, they are groping in perplexity. The Unionists, during their long tenure of office, have demonstrated the futility of the imperial federalist policy. Their record of the past decade includes constant interference with colonial anti-alien legislation, in the name of "imperial interests"; the Zollverein ultimatum (1897), since retracted; the anti-national rules imposed upon the contingents (1899); the forcible amendment of the Commonwealth Bill (1900); the anti-national defence programme (1902); and finally, the Alaska boundary betrayal (1903). These incidents, illustrating the dogged perseverance of the imperial federalists, while productive of no progress towards the receding goal of federation, have provoked colonial nationalists into thinking more seriously of eventual separation, instead of dallying with the idea of imperial alliance as a permanent alternative.

Here, then, is an opening for a constructive imperialism to supersede the federation programme and the policy of exasperating pin-pricks. The new policy would seek to foster the self-reliant spirit, and promote the self-supporting activity, of colonial nationalism; with a view, first, to placing the new nations in an independent position suitable for alliance with England, and ultimately to developing that

alliance into an imperial partnership. By tradition the Liberal party is identified with the concession of colonial autonomy. But Liberal policy called a halt, from which it has not yet moved, when it had completed the negative work of freeing the colonies from the principal restrictions upon their domestic autonomy. It is said that the original intention was to facilitate and encourage their growth into independent nations; the expectation being that, given the opportunity for peaceful separation, they would not be reluctant to take advantage of it. However that may be, there is now a call for the due continuation of Liberal tradition; modified only by a warm recognition of the fact that colonial nationalism, however restive under British supremacy, is eager for the British alliance as an alternative to the complete separation naturally contemplated by the elder Liberals. Accordingly, an imperial policy which resumed the thread of the older Liberal tradition would now undertake the positive work of endowing the new nations with the larger national functions hitherto withheld in the name of imperial unity.

Unhappily, the existing Liberal party has failed to rise to the occasion. For the suggested policy of co-operation already has been followed, of recent years, in certain incidents wherein the Liberal party has played a lamentable part. In the Alaskan boundary affair, while the British Government was backing the Canadian claim for unrestricted arbitration, the Liberal leaders made no sign of sympathy; barely disguising their preference for the old colonial policy of sacrificing Canada upon the altar of the United States. Indeed, it may be said that the Liberals, if only by their significant silence, consistently advocated the disgraceful solution which the Unionist Government finally accepted in panic. Again, the scheme of partnership in a state-owned Pacific cable surmounted all its obstacles without the blessing of the Liberal leaders. Again, the South African War, which appealed to the younger nations as a grand example of co-operation in defence, was, and remains, nothing else than a millionaire's jingo affair in the eyes of the Liberal party. That party, again, has pronounced an

absolute veto upon the employment of Chinese in the Transvaal; thereby actually retrogressing from the position reached by the elder Liberals.<sup>1</sup> Finally, the imperial contribution of the Liberal party to the present fiscal controversy consists in the tacit insinuation, springing from the obsession of an obsolete fiscal fallacy, that the younger nations are bent upon exploiting the generosity of the mother country, without any sincere intention of fulfilling their professions as to reciprocal concessions. By insisting upon reciprocity in free imports as the only possible basis of preferential trade, the Liberals have ensnared themselves in the position which the Unionists evacuated only because it proved to be a *cul de sac*.

The only pretence of constructive Liberal imperialism seems to lie in the suggestion that the colonies might agree to give a preference to British trade in return for gratuitous naval protection, consular services, and the like. In other words, whereas the whole problem arises from the evolution of colonies into nations, Liberal imperialism apparently cannot rise above the helpless conception of colonial perpetuation.<sup>2</sup>

Accordingly, the hope of a progressive imperial policy

<sup>1</sup> Cf. pp. 131-2.

<sup>2</sup> Liberal leaders, if they go so far as to profess positive imperial ideas, seem to take the same line as the Duke of Devonshire. The writer, at any rate, is unaware of any more constructive Liberal statement.

"At its very best, this is a plan for uniting the Empire by a series of commercial treaties; but commercial treaties are instruments which are negotiated between independent states, and it is not—and the idea of an Empire united by commercial treaties does not convey, does not imply, a very high standard of union. . . .

"In my opinion, we disparage ourselves too much when we say that we do nothing for our colonies. We send to them emigrants, much of the flower of our manhood. We provide for them, almost without charge, their maritime defence, . . . our diplomatic and consular services. We find them the capital they require, . . . and in my opinion the greatest of colonial interests is that the United Kingdom should be rich and able to find these things."—Duke of Devonshire, at Liverpool, Jan. 19, 1904.

"Mr. Chamberlain was under a complete delusion about the colonies. They were getting on perfectly well. Canada was amazingly prosperous, and did not need help, and would be perfectly contented if things went on as at present."—Mr. Bryce, M.P., at Stroud, Feb. 4, 1905.

seems to rest with the other party, which has, by its own failures, demonstrated the need of a reformed imperialism. After all, those very mistakes have resulted from that progressive spirit which traditionally is Liberalism, but is found wanting in the Liberals. An example of Unionist adaptability was the admission of Sir Frederick Borden, shortly after the Conference of 1902, as a member of the new Imperial Defence Committee, and the discussion there of the defence question from that Canadian point of view which official imperialism had opposed consistently up to that time. If a nominally Conservative Government thus has exhibited the genuine spirit of Liberalism, the credit perhaps is due to the stimulating co-operation of that progressive wing which lately has been reorganized upon a more effective basis. True, the leader of the new Liberal-Unionist party has been responsible, as Colonial Secretary, for most of the misdirected efforts which have been described. Nevertheless, Mr. Chamberlain's undaunted perseverance represents the solitary oasis in the barren wilderness of contemporary English Liberalism. He, at any rate, preserves the open-minded courage which despises the superficial consistency dear to the narrow partisan; and does not shrink from abandoning a policy which is discredited, so soon as circumstances indicate a surer road to an approximate goal. By discarding the Zollverein in favour of reciprocity he has substituted already, in one important department, the principle of alliance for the principle of federation. Some day that change of principle will be recognized as the epoch-making feature of his imperial statesmanship. Therefore it may be expected that, as the predominance of colonial nationalism becomes more and more evident through the experience of successive events, Mr. Chamberlain, or his successors, will not refuse to identify the Liberal-Unionists with the full programme of collective imperialism.<sup>1</sup>

The new policy, steadfastly respecting the existing rights of autonomy, will avoid the petty interference with colonial

<sup>1</sup> The phrase "collective" imperialism is reported to have been used by Mr. Deakin, and is adopted here for want of a better, being handier than "co-operative."



legislation which is prompted by the anti-national conception of "imperial interests." Thus it would disavow the hypocritical fiction that all British subjects enjoy equal privileges within the Empire. In deference to that fiction, a Bengal coolie, for example, may not be debarred straightforwardly upon social or economic grounds from seeking a livelihood in Natal or Australia; although his exclusion is permitted if effected by the tortuous and irritating device of an impassable "education test." Refusing to countenance a subterfuge so demoralizing to all concerned, the new policy would recognize frankly the disagreeable fact of racial incompatibility, which must be respected if the white man in Australia, South Africa, or British Columbia is to preserve his democratic civilization, and the white man in India his beneficent dominion.

Again, the spontaneous development of national character is impeded by the surviving practice of sending out governors and decorations from the mother country. An important step towards emancipation from the tyranny of exotic social models was achieved by Canada, when the right of appointing provincial governors was assumed by the federal Government, and exercised in practice to exclude all but Canadians. Undoubtedly the same reform would have been effected ere now in Australia were it not for the inter-provincial jealousy which prompts each of the federated colonies to maintain the affectation of sovereign dignity. Although the political position usually is harmless, and occasionally even beneficial, the social influence of the imported governor often has much to do with the contrast, which travellers have to admit, between the refreshing simplicity of the best American society and the unnatural aristocratic mimicry of a colonial capital.<sup>1</sup>

Accordingly, the new policy would favour the appointment of native-born governors to represent the King in the self-governing colonies; and would seek gradually to terminate the pernicious system whereby colonial politicians and others are tempted to look beyond the approval of their own countrymen for a titular recognition of patriotic services.

<sup>1</sup> *E.g.*, Sydney, under a recent régime, which was thoroughly distasteful to the best of the residents.

But in completing the fabric of autonomy, by far the most important and arduous task is the reconstruction of the defence programme. Here the substitution of the national for the federal principle is likely to be resisted strenuously by those imperialists who still endorse the abortive prospectus of 1902. On the military side the task is easy, because they already have lost the day, and seem to have recognized the obvious determination of the colonial nations to develop and control their own military resources, quite independently of our organization. But while the federalists now tacitly admit that the institution of separate military systems cannot be suppressed, they are combating the complementary idea of separate navies with redoubled energy;<sup>1</sup> inspired, perhaps, by the conviction that in this particular matter the ultimate possibility of imperial federation is hanging in the balance.

Incidentally it is instructive to notice the confusion, both intellectual and practical, into which the whole naval question has been brought by the attempt to enlist strategical theory upon the side of imperial federation. We are constantly being told that, assuming "one fleet under one control," no State of the Empire need make separate provision against maritime risks; that, if this "one fleet" fails to maintain the command of the sea, the Empire is doomed in every part, and isolated effort becomes useless. Yet that doctrine, preached with the air of hierarchical infallibility to Australian and Canadian nationalists, never yet has been accepted by England herself. At the Conference of 1902, no sooner had Lord Selborne launched the papal homily against the heretical tendencies of Australian naval opinion, than Mr. Brodrick came forward to explain what large land forces were maintained for the defence of England, "in view of the possibility of our at any time losing the command of the sea."<sup>2</sup> It is

<sup>1</sup> Recently a deputation waited upon the Prime Minister in order to urge that the naval question should be re-opened, apparently on the old lines, at the conference proposed by the Government in connection with the fiscal controversy. Neither upon this occasion, nor in a lengthy correspondence in *The Times*, was there any important suggestion of a new naval scheme, or any indication that the old policy of trying to extract unconditional subsidies was realized to be a hopeless anachronism.

<sup>2</sup> Report, p. 28.

difficult to appreciate the wisdom of scolding the Australians for taking their cue from the mother country. The truth seems to be, that the simple theory of sea-power has been exaggerated and perverted into an argument for imperial federation. To assume, either that command of the sea always can be absolutely inviolable all over the world, or that a single reverse must be the signal for surrender, revolts the common sense of Englishmen, no less than that of Australians and Canadians. Accordingly, the practical instinct of each people insists upon certain subsidiary precautions against the special dangers which would be incurred by them respectively, in the event of a partial or temporary failure of the British fleet. For Englishmen the special risk is invasion from the neighbouring continent; and therefore they refuse to disband the home defence forces mentioned by Mr. Brodrick. For Australians, on the other hand, the special risk is the raiding of their extensive coastal trade routes, which play so large a part in inter-colonial communications; and therefore their sensible policy is to provide themselves with a subsidiary squadron for policing their waters against "Alabama" raiders. The positive weakening of imperial naval efficiency, not to mention the additional expense, which results already from the forced ascendancy of the extreme doctrine, is exemplified by the proposed organization of the Australian squadron under the new Agreement.<sup>1</sup>

Undoubtedly the reform of the naval programme has been rendered more difficult by the fact that the Admiralty oracle has been commandeered by the imperial federalists. Yet an official pronouncement need not represent the last word in the question of imperial naval defence. After all, it is not so long since the late War Office attempted to assert the same papal authority in the military sphere. The sacred principle of "one army under one control" was to be carried into practice by recruiting in the colonies, or by raising colonial regiments as part of the imperial army. The difficulty as to rates of pay, which the Admiralty has failed to solve in its Australian scheme, was an obstacle to the military project likewise. But the insurmountable barrier was the

deep-rooted dislike of the new democracies for the idea of an old-world military caste, of ill-controlled liability for foreign wars,—in short, of the vague thing termed "militarism." Yet the failure to create "one army under one control" did not prevent useful assistance being rendered by the colonial contingents in the late war. It is true that at the Conference of 1902 the Pall Mall officials hardly concealed their lingering partiality for the lost cause. But probably most Englishmen, having withdrawn from the War Office the respect which they still feel for the Admiralty, are ready to agree with the colonial nationalists when the latter argue that independent military organizations, each developing the system of warfare best suited to its national environment, can come together upon the battlefield "under one control," with brighter prospects than the "one army" which has been trained to the rigid and narrow uniformity always characteristic of centralized administration.

Accordingly, the naval policy of collective imperialism will be based upon the belief that the obvious advantage in war of having the fleet "under one control" is not necessarily impaired if that fleet consists, not of uniform squadrons, but of allied navies; speaking the same language, and accustomed to combine for manœuvres "under one control." History, even the oracular history issued by the Admiralty, is not always unfavourable to naval alliances. To support the "Memorandum on Sea Power," which was laid before the last Colonial Conference, the official historian selected two naval episodes from the story of ancient Greece, by way of illustrating the vital importance of command of the seas.<sup>1</sup> One was the naval battle of Salamis, which forced the Persians to abandon their overland invasion; the other was the defeat of the Athenian fleet, which sealed the doom of the Athenian army in Sicily. But the selection of those examples is unfortunate for the doctrine of "one fleet." The victory of Salamis was won by an Athenian navy, reinforced to nearly double its own strength by the squadrons of the allies,—contemptible "local navies," found and manned by independent States; and freely placed, only when the crisis

<sup>1</sup> Report, p. 54.

was imminent, "under one control." On the other hand, the Athenian Armada, eventually destroyed in the harbour of Syracuse, practically was the "one fleet" of the mighty Empire which had supplanted the Delian League of free States, the victors of Salamis; a fleet maintained by cash subsidies, the "voluntary" tribute of the former allies, now helpless dependents; who, when the hired bulwarks sank, had bitter reason to repent the slothful sacrifice of their naval independence. Doubtless in the intoxicating heyday of the Athenian Empire there were imperialists enough to denounce the heresy of "local navies"; and the analogy is one which the Admiralty has done well to revive.

In fashioning from small beginnings the foundation of the future naval alliance, collective imperialism will be guided by local conditions, and attach no value to unnatural uniformity. It will foster naval enterprise upon the lines chosen by the several nations themselves. For Australia, the scheme drawn up by the colonial commandants in 1899, or that recommended by Captain Creswell in 1902, might be made the basis of an immediate programme.<sup>1</sup> Canada, with her less important coastline, seems naturally to prefer the assumption of responsibility for Halifax and Esquimaux.<sup>2</sup> By way of more actively encouraging "the maritime spirit," the Canadian Government appears to contemplate the further development of the miniature fleet which protects the fisheries. Also it is said to contemplate the organization, under its own control, of a Naval Reserve; in which hereafter we may hope to see storm-beaten fishermen representing the oldest colony and the newest province—the island before the gateway of the Dominion.

Doubtless many years must elapse before the new nationalist motive gains a sufficient supremacy, especially in New Zealand and South Africa, to ensure the willing acceptance of naval responsibilities upon the commensurate national scale. Nevertheless, the independent evolution of British naval policy seems to be tending, of its own accord, in a

<sup>1</sup> See Appendices to Chapter VIII.

<sup>2</sup> At the time of going to press it is again reported that this has been actually arranged.

direction which coincides with the imperial policy here advocated. As regards strategical principles, the latest pronouncement issued by the Admiralty seems to imply a renunciation of "one control," in the sense of centralized control, in favour of decentralized responsibility and spontaneous co-operation.

"The hostile fleets will be represented next year by various big cruisers (as a skeleton enemy), which will start on unknown dates from unknown places to represent the movements of the imaginary Power. The Commanders-in-Chief and other Flag Officers all over the world will have to act throughout on their own initiative; they will be responsible for keeping a continuous touch with the enemy and for continuous mutual co-operation; they will concert together beforehand their plans for mutual support, and the Port Admirals and other stationary officers must instantly comply with the requests of the Admirals at sea. *In no case will references to the Admiralty be permitted.*"—*The Times*, Dec. 12, 1904.

Assuming hereafter the political co-operation of allied governments, the principle enunciated by the Admiralty seems just as applicable to the separate national squadrons of those governments, as to the distributed squadrons of a single federal authority. In short, the question of sea-power, as affecting imperial consolidation, is no longer naval but purely political.

Further, under conditions of separate national responsibility there would be a brighter prospect of efficiency and progress in naval organization. For there would be more room for the influence of national pride and national emulation, such as came into play with conspicuous advantage in the South African War. The tendency of this influence might be to produce some differentiation of naval tactics by the separate nations, making their combination more adaptable to the varying contingencies of war. The special value of each unit would become known in the course of the annual combined manœuvres; which would be an integral feature of the naval alliance, and would keep alive the spirit of friendly emulation making for efficiency. Moreover, independent navies would mean a wider and more plentiful distribution of

shipbuilding yards, docking facilities, ordnance factories, and the like. Thus the Empire would become hydra-headed, its vitality or recuperative power no longer depending upon the immunity of a single "heart."

Part of the recent naval reorganization has been the abolition of the North Atlantic squadron, based on Halifax, and the substitution of an Atlantic fleet based on Gibraltar. The ultimate object of the new imperial policy would be the restoration of this fleet to Halifax, as the principal division of a Canadian navy. For the present it is significant that the withdrawal from Halifax has aroused no colonialist agitation, as it would have done in former times, but has served rather to renew the nationalist demand for a self-respecting naval policy.<sup>1</sup>

As a practical policy seeking the sanction of the electorate, collective imperialism has decided advantages. It tends unquestionably to reduce expenditure by remedying gradually the unjust distribution of imperial naval taxation. On the other hand, the federalist programme of cash subsidies tends in the opposite direction; because the foremost of the new nations have made it manifest that they dislike the principle too thoroughly to tax themselves for its sake in anything like a fair proportion, if at all. Consequently, perseverance in the federalist policy involves a continual increase in the excessive proportion of naval taxation already borne by the mother country. But the nationalist leaders, in both Canada and Australia, in putting forward their own schemes of defence, have stated emphatically that they desire to relieve the British taxpayer.<sup>2</sup> To take them at their word is the policy now proposed, by adopting and encouraging what-

<sup>1</sup> The *Montreal Herald* suggests the natural way for Canada to contribute to imperial defences in the present state of her financial ability would be for the Government to assume the maintenance of Halifax and Esquimaux. The country, says the *Herald*, would not grudge the expense, national pride would be stimulated, and England could depend upon the positions being kept up to the standard. The journal adds that, while the reported withdrawal of imperial troops aroused interest, it is worthy of remark that no criticism was heard nor was any apprehension displayed.—Reuter, Dec. 21, 1904.

<sup>2</sup> Cf. pp. 153, 169.

ever programme each country puts forward as most suitable to itself.

Against the temptation of lighter burdens must be set the inevitable outcry that the new policy encourages separatist tendencies. To that line of objection there is only one reply. Granting fully that it does encourage a narrow republican sentiment where that exists, after all it does not make separation inevitable. On the other hand, the federalist programme does make separation an ultimate probability, because it antagonizes the overpowering force of national sentiment, and in fact is tolerated only in abeyance. Thus the policy of collective imperialism stands revealed as a magnificent speculation, offered as an alternative to eventual disruption and national isolation.

The speculative element of course is the open question whether the new nations, having gained autonomy on the full national scale (signified by independent organization for defence), will find their interests served by an alliance with the mother country. For the ultimate sanction of the proposed alliance, namely, the sense of a common duty in the administration of the dependencies, may not take root and grow so rapidly as to keep pace with the eventuation of the colonial nations. This consideration introduces a further characteristic feature of the new imperial policy—namely, the full utilization of every agency to counteract the separatist tendency during the formative and critical period of colonial nationalism. It may be hoped that the influence of these several agencies will suffice to keep uppermost the ideal of alliance, as the new nations, gradually and successively, enter upon the era of mature national life.

The selection and employment of suitable agencies will be determined by reference to colonial nationalism. No agency antagonistic to that sentiment can be employed profitably, and no agency favoured by it can be discarded wisely. By virtue of this principle it is incumbent upon English imperialists to take up the question of commercial reciprocity; with a view to devising a system favourable to the objects of colonial nationalism, without being prejudicial to English national interests. For there can be no dispute, except by



those who do not like the truth, as to the question of fact, namely that the majority in Canada, Australia, and New Zealand, favour reciprocity with England. The kind of reciprocity so favoured varies according to the stage of national eventuation at which the particular colony has arrived. Therefore, since the evolution of colonial nationalism proceeds along well-established lines, English imperialists safely may adapt their policy of reciprocity to the form favoured by Canada and Australia, namely, the recognition of national interests as the predominant consideration. In practice the policy would be fulfilled by the negotiation of commercial treaties as between independent nations, ignoring the obstructive expectations implied by the terms "colony" and "mother country." On the principle that the nation is the real political unit, South Africa would be treated as a whole. An imperial most-favoured-nation clause might be devised to lessen the multiplicity of treaties, the main principle being preference to imperial trade over foreign trade.

At the same time it is not necessary to introduce the pretence of an equal national status, as the basis of commercial negotiation, in cases where colonialist sentiment is in fact predominant, and there is no prospect of the colony recognizing national responsibility in the department of defence. Then the mother country might reasonably expect a preference as a "donative out of loyalty," without granting reciprocal concession; the bargain being a deliberate recognition, for the time being, of free naval defence and the like. Perhaps this primitive method meets the present circumstances of South Africa. There the mother country lately has made vast sacrifices in order to lay secure foundations of national potentiality. But the colonial elements of the future nation hardly have begun to combine as yet; and rural development is still in the pastoral stage, raw material being the chief exported article, instead of food. Under existing conditions, colonial preference in the English tariff presupposes colonial agriculture.

But the case for preferential trade is wider and more permanent than the necessity of setting in motion some popular principle of consolidation to accompany the develop-

ment of independence in national defence. For a permanent alliance seems to be an unworkable conception, discounted by history, unless the economic interests of the allies can be made interdependent upon each other to a greater degree than upon those of foreign countries. Under existing conditions there is a tendency throughout the Empire for foreign trade to increase at the expense of imperial trade; being the natural result of the more rapid commercial progress which foreign countries have achieved under protection, as compared with England. If this tendency is permitted to grow unchecked, the final result must be a considerable divergence of economic interests, such as will impede the whole-hearted exercise of mutual support when the national interests of a particular partner-State are threatened by the action of a foreign Power. It may be that it is easy to overestimate the importance of economic forces in shaping national destinies. Yet it seems to be true that even ephemeral alliances have not been maintained successfully without regard to commercial as well as to defensive or sentimental connections. Therefore there is all the more necessity, when the ideal is a permanent alliance with a sentimental sanction, to minimize the obstructive friction of economic interests; by taking permanent measures to direct the external trade of the allies towards each other, rather than towards the countries which some day may be inclined to challenge the national policy of one or other partner-State.

Another instrument of imperial co-operation strongly favoured by colonial nationalists is the extension and cheapening of imperial maritime communications. In this matter Canada led the way by the introduction of penny postage in 1898, which since has been adopted almost throughout the Empire. A further measure would be the extension of cheap postage to printed matter, especially newspapers and magazines, which at present do not circulate freely between the various countries of the Empire. To Canada also is due the chief credit for the inception and completion of the Pacific Cable, which was opened for traffic in December 1903.

The history of the Pacific Cable illustrates at once the importance of the principle which it embodies, and the difficulties which have to be encountered. It is obvious that the success of closer union in any form depends largely upon mutual sympathy between various parts of the Empire; and that such sympathy postulates cheap and rapid facilities for communication, in connection with the press no less than with commerce and defence. In the past one great obstacle to mutual understanding has been the poverty of colonial news in the English newspapers, and *vice versa*, owing to the prohibitive cost of cabled intelligence. The same difficulty affects emigration, especially to Australasia; the sense of severance being more acute when a telegram is prohibitively expensive, while a letter cannot be answered in less than three months. Hence came the conception of an imperial cable system, girdling the Empire, to the realization of which Sir Sandford Fleming in Canada, and others in England and Australasia, have devoted untiring energy. The essence of the imperial system is ownership by partner-States of the Empire, experience having shown that the monopoly so long exercised by private enterprise is an insuperable obstruction to the due extension and cheapening of cable services. After many years of spasmodic negotiation, an imperial partnership, for the purpose of constructing and operating a cable from Vancouver to Australia and New Zealand, was formed on the following basis (1899). The United Kingdom and Canada each were to be responsible for five eightieths of the cost; New Zealand, Queensland, New South Wales and Victoria, for two eightieths each. It was proposed that the new cable should transmit ordinary messages from Australia to England at the initial rate of 3s. per word; the existing rate by the old route being 4s. 10d.; and from Australia to Canada at the rate of 2s., the rate being from 9s. to 10s. by the old route. Deficits, if experienced, were to be made up by *pro rata* contributions from the several Governments.

When the project thus had reached a practical stage the monopolists, represented by the Eastern Extension Company, took alarm. Their deputation waited upon the British Government, to protest against State competition, but met with no

encouragement. Accordingly they turned their attention to the Australian Governments, and evolved an ingenious plan of campaign, taking full advantage of the intercolonial dissension which characterized and distracted the unfederated colonies. In former years the Eastern Extension monopolists had refused to reduce rates except on condition of special subsidies, thus taking away with one hand what they gave with the other. But now, faced by the prospect of the competition which their own action had provoked, they proposed, without asking for any subsidy, to make a new connection with England, by laying a cable to connect Australia with the Cape, and gradually to reduce the tariff to 2s. 6d. per word, thus undercutting the rate suggested by the Pacific Cable authorities. One condition, however, of the proposed reduction was the maintenance of a minimum average amount of annual traffic; such as palpably would not be secured if the available business was to be shared by a competing cable. Therefore acceptance of the offer was tantamount, not only to a rejection of the Pacific project already agreed upon in principle, but to an actual guarantee of the existing monopoly. Also there were attached other conditions, designed to give the company a position equal or superior to that of its government rival in competition for business.

The proposal was admirably calculated to achieve its object, considering the internecine jealousies of the colonial Governments. It was accepted readily by Western Australia, South Australia, and Tasmania (not being parties to the Pacific project), which were favoured immediately with the first instalment of the promised reduction. Meantime it created discord in Queensland, New South Wales, and Victoria.

On the one side there was the argument of "a bird in the hand," the Pacific Cable not having been begun as yet. On the other side, if a partner-State became officially instrumental in modifying the business situation in view of which the partnership had been arranged, its action would constitute a breach of faith with the other partner-States. That view was urged upon the wavering Australian Govern-

ments by the Pacific Cable Board, and by the Canadian Government. The latter threatened withdrawal, and the hopes of the monopolists were raised. However, Queensland and New Zealand remained staunch throughout. But when Victoria, after some hesitation, likewise turned a deaf ear to the charmer, New South Wales, in the true spirit of colonialism, could not resist the temptation to score off her rival by securing for herself the proffered advantages. Thus the petty jealousy which seemed to have become a chronic disease and a paramount motive with the politicians of the mother colony, intervened once more upon the eve of federation to thwart the national interests of Australia. Despite the pending transference of his department to the Commonwealth, the Postmaster of New South Wales signed a contract with the Eastern Extension Company by which the prospects of profitably operating the Pacific Cable were injured materially. This agreement, together with those of the other colonies, presently were inherited by the Commonwealth department, and constitute a difficulty which is not yet solved.

Under the circumstances it is matter for regret that the lengthy negotiations which resulted in the Pacific Cable partnership were not protracted a few years more. For the attack of the Eastern Extension Company, which was pushed to success behind the shelter of colonialist jealousies, would have been repelled abruptly by a federal Government wholly concerned with the interests of the Commonwealth. As it is, the experience indicates the importance of achieving the union of the South African colonies if the principle of imperial partnership, in the sphere of material interests, is to be extended with the minimum of friction. Further, it indicates how formidable are the obstructive powers of those private interests which the State itself has enriched with public funds. A cable company always seems to be an incubus; whether as a mendicant begging an increased subsidy, like the West India and Panama Telegraph Company a few years ago; or as a monopolist abusing the privileges already granted to it. Therefore the progressive policy seems to be the expropriation of the cable companies by amicable

negotiation; failing which the partner-States can fall back upon the construction of competing lines, in the operation of which the monopoly of government business, and of the inland telegraphic systems, would give them an overwhelming advantage. Unquestionably the business is one which governments can undertake successfully in the public interest. After all, it is nothing more than an extension of the inland telegraph services, which already are conducted more efficiently, and at cheaper rates, by governments than by private enterprise, comparing the principal countries of the world. The mere construction of the Pacific Cable as a government enterprise caused the Eastern Extension Company to lower its rates to a point which still seems to prove remunerative, despite its previous declarations that the thing could not be done commercially. In the light of that experience there is a strong presumption that the cable services to India and elsewhere are much dearer than they need be in order to yield a modest profit. The astonishing prosperity of the Eastern Companies indicates that the public subsidies granted to them have been unduly liberal. By contrast, a State-owned system would be concerned only to pay interest, maintenance, and sinking fund, regardless of dividends; and even may be run at a loss in consideration of such imperial interests as commerce, defence, and social or journalistic intercourse. Further, the ships of the navy represent an economy in the State-owned system, being available for survey and supervision. The Pacific route—the most difficult in the world—was thus surveyed. On the whole, it does not seem extravagant to hope that a complete State-owned system eventually might afford an imperial service between all parts of the Empire at rates not greatly exceeding those now charged for inland telegrams. But a much more moderate popularization of cable services would make the Empire a living reality to the masses of its people more than any other agency, excepting preferential trade, to which it would be a powerful auxiliary.

A more complex question is that of imperial partnership applied to the steamship lines; which, under the present system, do not appear to find profit in promoting imperial

rather than foreign trade. For example, the South African lines have combined to penalize British trade in favour of American.<sup>1</sup> Again, by allying themselves with other monopolies, steamship companies have combined to exploit certain parts of the Empire which, having been prevented either by natural disabilities or by the artificial restriction known as free trade from developing native industries, are dependent upon imports.<sup>2</sup> Such situations tend to become more common with the further elaboration of commercial organisation; and suggest the remedy of extending, through imperial partnership, to the main lines of the ocean-carrying trade those principles of ownership or effective control by the States concerned which long have been applied to railways in Australasia and elsewhere.

A third agency which it is worth while to develop is intercourse for education. Before the death of C. J. Rhodes something had been accomplished in the way of affiliation between English and colonial Universities, so that students entering the latter at an earlier age than is customary in England, might pass into our Universities without the obstruction of superfluous examinations. But now the Rhodes scholarships have dwarfed all previous efforts in this field, and prompt a request for reciprocity. In particular, the M'Gill University in Montreal affords opportunities for work in certain scientific departments which are unequalled in the United Kingdom. Thus there is an opening for a wealthy Canadian imperialist to furnish a reciprocal endowment, as the corollary of the Rhodes bequest. At the same time it must be recognized that there is a reverse side to the Rhodes educational conception. The complaint has been made that the effect of life at Oxford or Cambridge upon the colonial undergraduate sometimes has been to foster exotic manners and social prejudices which put him out of sympathy with the spontaneous civilization of his own country, to the detriment of his prospects therein. For that reason it used to be urged occasionally that the ideal system would be for the native-born to receive a school education in England,

<sup>1</sup> Cf. *supra*, p. 263.

<sup>2</sup> *E.g.*, New South Wales, cf. p. 269.

but to spend in their own Universities those following and critical years in which individual character receives its definite moulding. Possibly that consideration has helped to influence the Rhodes trustees in devising a system not in literal accordance with their instructions, but which brings the scholars to Oxford at a later age than rules in England and was contemplated by the founder, after they have already spent some time in their native Universities or alternative institutions.

Passing to elementary education, the institution known as "Empire Day" is deserving of encouragement. The idea seems to have originated with the Dominion Educational Association, which recommended it to the provincial school authorities in the summer of 1899. The suggestion was carried out forthwith in Nova Scotia and Ontario, and afterwards in the other Provinces, the day before the holiday on the Queen's Birthday being selected for the anniversary. Upon this day school hours are devoted to the "study of the history of Canada in its relation to the British Empire, and to such other exercises as might tend to increase the interest of the pupils in the history of their own country and of the Empire to which they belong." The programme includes special addresses and ceremonies, the general object being "to make Canadian patriotism intelligent, comprehensive, and strong." Thanks to the energy of enthusiasts, notably Lord Meath, a similar institution has taken root already in most parts of the Empire. In the mother country, however, Empire Day seems likely to be deferred until imperial union is recognized as a national policy.

Again, there is a demand for the control and organization of emigration from the British Islands in the interests of imperial partnership. For a century past imperialists, both in England and beyond the seas, have deplored the *laissez-faire* policy in this department. To the younger nations it seems a misfortune that the pick of British emigrants should go to the United States, while philanthropic enterprise sometimes dumps upon their shores emigrants wholly unfitted for the life.

Thus in connection with commerce, communications,



education, and emigration, there are opportunities for fostering the sentiment of alliance through imperial co-operation. In the meantime it will be necessary to permit the legislative and executive machinery of the Empire to modify itself in conformity with the same spirit. Already there is a noticeable tendency in Canada and Australia to treat as a negligible quantity the constitutional supremacy of the British parliament over their own. Occasionally exception is taken to the conventional application of the term "imperial" to the parliament at Westminster, as being an anachronism. The nationalist theory is that the parliament of the United Kingdom ought to be recognized as having a status equal, not superior to, that of the Dominion and Commonwealth parliaments; the Crown being a figurehead common to coequal legislatures, and standing in precisely the same relation to each, as the symbol of their intimate alliance. The conception is logical, and ought to be recognized by the deliberate disuse of the British parliament as an authority intermediate between the colonial legislature which passes a Bill and the Crown which ratifies it. In this particular, collective imperialism would reverse the policy of recent years, which seems to have been to emphasize the constitutional right of the British parliament to reject or amend colonial legislation, apparently with a view to its ultimate adaptation as an imperial legislature by means of colonial representation.

Respecting the executive side of the problem, the tentative machinery for effective co-operation in external affairs must be evolved from the principle of alliance rather than from the principle of federation. Accordingly, it is a question of amplifying the functions of an ambassador rather than of contracting the functions of a federal authority. To quote from a former article,<sup>1</sup> which still represents the writer's opinion,

"a solution seems to be suggested by the existing office of Agent-General. The political side of the office might be separated from

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<sup>1</sup> In *The Empire Review*, August 1902.

the commercial, and entrusted to a high commissioner. Already the Canadian High Commissioner, in his political capacity, wields a greater influence than a foreign ambassador. Let us postulate similar high commissioners for the Commonwealth, New Zealand, and in due course for South Africa. As representatives of partner-States, sovereign in all but name, they should take precedence of foreigners. They would be privy councillors, and be summoned to Cabinet meetings dealing with external affairs. Thus they would be cognisant of imperial policy, which they would communicate to their respective Governments, to which alone they are responsible. The latter, through these high commissioners, would approve, disapprove, or otherwise modify imperial policy. It is not likely that a policy which one or more partners declined to sanction would be pressed to extremes. But if a policy endorsed all along by the Governments of the partner-States led to serious difficulties, those Governments would have to justify themselves before their own Parliaments. Thus the existing Government of each partner-State would find itself the champion of the imperial policy, and would be impelled by the strongest motives to persuade the constituencies that its course was the right one. In this way there would be the greatest likelihood of unanimity. Also the national instinct would be satisfied by the sense of a more direct and effective control than would be afforded through proportionate representation in the imperial Parliament. Moreover, the system would be in accordance with the modern tendency of British parliamentary institutions towards the silent autocracy of the Cabinet, which is as marked in Canada and Australia as here. Most important of all, the change would require no new institutions and thus would avoid the appearance of a radical revolution."

A somewhat similar line of development already seems to be favoured by a certain group of English imperialists<sup>1</sup> who seek salvation therein from the commercial proposals which they dislike. But they are mistaken if they think that any device for "taking counsel" can serve the purpose of those proposals. For, whereas preferential trade affects the masses of the people in their daily business all over the Empire, constitutional reorganization, however necessary, does not touch the popular imagination. It is a supplement to

<sup>1</sup> See letter by Sir Frederick Pollock, on "Imperial Organization," in *The Times* of October 17, 1904.

preferential trade, but no substitute for it. In domestic affairs of partnership, where a common authority is required a sufficient temporary expedient would be the creation of a Board *ad hoc*, as in the case of the Pacific Cable.

Likewise the Privy Council, as the imperial Court of Appeal, possibly may be modified with advantage, but never can exercise any influence upon the popular imagination, from which it must always be remote. As now constituted, the Judicial Committee is not felt to be an unmixed blessing by the limited classes which come into contact with it. Its weak point is its inevitable lack of familiarity with the distinctive local circumstances of a world-wide Empire. The need for reform is emphasized by occurrences such as that which provoked the Judges of New Zealand to unite in protesting publicly against the pronouncements of the supreme imperial tribunal.<sup>1</sup> It is difficult to see in what direction the functions of the Judicial Committee can be extended without creating friction out of proportion to the imperial advantage. But, within the limits of its utility, it might be improved by the fuller co-operation of colonial Judges, specially appointed for the purpose. At present the few colonial Judges who have been made Privy Councillors find their time too fully occupied at home to make frequent or prolonged visits to England. But, as long as the sphere of the Judicial Committee is duly restricted, the appointment of special colonial Judges would not be open to the objection, raised in connection with more ambitious schemes, that these gentlemen, by losing touch with local conditions, would not enhance the efficiency of the tribunal. In any case the institution is one of quite minor importance in a discussion of measures designed to impress the popular imagination with the sense of imperial partnership.

<sup>1</sup> See Appendix to this chapter.

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## APPENDIX E

## THE PRIVY COUNCIL AND NEW ZEALAND

The situation that has arisen in connection with the criticism of the New Zealand Appeal Court by the Judicial Committee of the Privy Council is unique in the legal history of the Empire. . . . The Appeal Court sat this morning and dealt with the matter, the Chief Justice (Sir Robert Stout) and Mr. Justice Edwards being on the bench. . . . Sir Robert Stout read the following statement: . . . "a direct attack has been made upon the probity of the Appeal Court of New Zealand. . . . Any persons reading their Lordships' remarks, and being unacquainted with the judgment of the Court of Appeal, would assume that this Court had declined jurisdiction, had denied justice, and had lost its dignity and independence through dread of the Executive Government. These imputations are baseless, and I hardly think it is becoming in the highest tribunal in the Empire to make such charges against any Court, unless they are conclusively proved. I have already explained the attitude of the Appeal Court. . . . Their Lordships do not attempt . . . to meet the arguments used, but indulge in language that is happily rare in the judicial judgments pronounced in this colony. . . . I feel that these aspersions, under the circumstances in which they have been made, are a greater reflection on the Privy Council than on the Appeal Court of New Zealand. . . . Unfortunately this is not the only judgment of the Privy Council that has been pronounced under a misapprehension or an ignorance of our local laws. I may briefly refer to three, in which personally I was not in any way concerned. . . . The case of *Plimmer v. The Corporation of Wellington* . . . (L. R. 9, A. C. 699). . . . *Eccles v. Mills* (L. R., 1898, A. C. 360). . . . *Tamaki v. Baker* (L. R., 1901, A. C. 561). . . . If the decision in that (the last) case were given effect to, no land title in this colony would be safe. The matter is really a serious one. A great imperial judicial tribunal, sitting in the capital of the Empire, . . . is a great and noble ideal; but if that tribunal is not acquainted with the laws it is called upon to interpret or administer it may unconsciously become a worker of injustice. And if such should unfortunately happen, then the imperial spirit, which is the true bond of union amongst His Majesty's subjects, must be weakened. At present we in New Zealand, so far as the Privy Council are concerned, are in an

unfortunate position. They have shown that they know not our statutes, or our conveyancing terms, or our history. What the remedy may be . . . it is not within my province to suggest."

Mr. Justice Williams, in the course of a similar protest, said: "If the Court had displayed subserviency or want of independence of the Executive, it would have been loudly condemned by a unanimous public opinion. No suggestion of the kind has ever been made here."—From the report in *The Otago Witness*, April 26, 1903.

## CHAPTER XIII

### IMPERIAL PARTNERSHIP

#### (I.) THE DEPENDENCIES

SUCH then are the principal agencies which a policy of collective imperialism would adopt in order to counteract the centrifugal tendencies of immature colonial nationalism. But the ultimate object must be kept in view continuously, and necessitates gradual measures for bringing the younger nations into fuller sympathy with that principle of imperial dominion which may become the enduring sanction of imperial alliance.

As a beginning of partnership, it seems advisable to introduce representatives of the younger nations into such imperial services as the Indian Civil Service. Hitherto the difficulties of distance and expense have deterred would-be colonial candidates. Now, however, the institution of the Rhodes scholarships suggests a method which not only would overcome those difficulties, but would modify the existing process of education and selection, in a manner advantageous both to the sense of imperial partnership and to the interests of a service requiring qualities other than those which ensure success in the examination room. The system simply would be to reserve a fixed number of places in the list for Rhodes scholars from Canada, Australia, New Zealand, and South Africa.

The value in imperial sentiment of the plan suggested cannot be estimated by reference to the number of available appointments. For beyond the seas the careers of individuals are watched with wider interest and a keener sense of national pride than is the case in England. Thus the work of Sir

Percy Girouard in Egypt did more to awaken the sympathetic interest of French-Canadians in the last Sudan campaign, and the issues underlying it, than all the achievements of the Englishmen concerned. Perhaps some day the appointment to India of a French-Canadian viceroy will help to complete the work so well begun when a French-Canadian rose to be premier of the Dominion. Meanwhile the careers of Indian Civilians born in Canada or Australasia would tend to give their countrymen that lively interest in imperial administration which is stimulated by a personal or national connection.

Another step in the required direction would be a policy culminating in the assignation of the Pacific Islands to Australia and New Zealand for administrative purposes. The preliminary stage would be marked by gradually confining to Australasians the appointments in the government services of the islands. Governors and other high officials naturally would be selected from those who had begun their career as Rhodes scholars, and had gained their experience in other dependencies. Thus control would be transferred gradually, without perceptibly breaking the continuity either of tradition or of *personnel*.

Already there is constant friction with the Australasian Governments over details of administration in the Pacific Islands; and in the case of New Guinea a kind of *condominium* with the Commonwealth Government has been established. Further, there is a spasmodic demand for increased naval activity against the encroachments of European rivals. Taking their cue again from the United States, Australasians are attracted by the notion of applying a "Monroe Doctrine" to the South Pacific. At present the trouble is, from an English point of view, that the application would be at the risk and expense mainly of the English taxpayer, who does not call for the tune on his own account. Hence the eventual transfer of administrative responsibility to the Australasian Governments not only would enable them to modify the administration to their own liking, but practically would impose upon them the necessity of themselves providing that additional naval strength which would be the

only effective sanction of the exclusive policy sometimes advocated.

The same principle is applicable to the connection between Canada and the British West Indies. Economically the latter are important to Canada, as furnishing a tropical market of the kind which the United States possess within their own borders, and also in their newly acquired dependencies. Strategically, also, the islands are becoming important to Canada as a base for the protection of her growing interests, especially in connection with the Panama Canal, so that here again the privilege of administration would enforce the sense of responsibility for naval defence.

The economic situation in the West Indies raises a far-reaching problem of imperial partnership, namely, the whole question of imperial responsibility as affecting the commercial relationship between partner-States of the Empire and their dependencies. The commercial policy which England hitherto has followed, in connection with her dependencies, makes her imperialism an exploitative imperialism, however much that ugly feature may have been disguised in England by the altruistic professions of the conventional imperialist. For the "disinterestedness" which the Englishman is accustomed to claim for his imperial policy rests entirely upon the Cobdenite assumption that free trade is good for all men, at all times and in all places. Therefore outside Cobdenite England those professions appear to be insincere; and the prevailing opinion is that England's imperial commercial policy is dictated entirely by the interests of the English people, regardless of its effects upon the dependencies. This taint of exploitation and of hypocrisy, becoming more pronounced with the continuous and universal decline of the Cobdenite doctrine, must be removed by a reform of imperial commercial policy before ever the principle of imperial dominion can be accepted by the conscience of democracies which have thrown off the yoke of the Cobdenite creed.

The extent to which the imperial reputation of England is compromised under the existing régime may be illustrated by the cases of the West Indies and of India. According to the report of the Royal Commission, appointed in 1897 to



investigate the condition of the West Indies, the sugar industry is indispensable to their prosperity, no other crop being known which can take the place of the sugar-cane in certain islands as a source of employment and revenue.<sup>1</sup> But the Commission declared that the success of the industry depended upon access to a market undisturbed by the incalculable factor of bounty-fed competition. Accordingly the imperial responsibility of England imposed upon her the obligation of providing that market. So long as bounty-fed beet sugar was flooding the English market, the West Indies could not compete; not because of price alone, but because the cane industry had entirely lost its credit in the face of subsidized competition, and therefore could not raise the necessary capital for modernizing its equipment and cheapening production.<sup>2</sup> Being thus expelled from the market of the mother country, the West Indies were permitted by Mr. Chamberlain, in defiance of traditional policy, to negotiate trade Conventions with the United States, which lately had imposed countervailing duties upon imported bounty-fed sugar. Thus our ancient dependencies obtained from a foreign Power the protection denied them by the suzerain country. The arrangement was eminently agreeable to the Americans, as being the natural preliminary to the much-desired political annexation which would give them undisputed control of the Carribean Sea and the projected canal. Indeed, in 1899, during the above negotiations, the suggestion was mooted in the American press that a shorter cut to the desired goal would be the exchange of the newly acquired Philippines for the British West Indies. However, the Conventions were concluded, and consequently the Americans are undermining the old predominance of British trade. The idea of annexation is not new to the islanders; and it will be strange indeed if eventually they prove unwilling to transfer their allegiance to the Power which has shown the more practical interest in their economic welfare, and will have forged the link of intimate commercial association.

Meanwhile the Colonial Secretary was endeavouring to win acceptance in England for the doctrine that the posses-

<sup>1</sup> Report, Part I.

<sup>2</sup> *Ibid.*, p. 9.

sion of dependencies carries the obligation of securing their economic welfare. He was so far successful that, while the United States granted a market, England granted poor relief, namely grants-in-aid to tide over the immediate crisis. Meanwhile negotiations for the abolition of the continental bounties issued in that marvellous monument of Cobdenite fanaticism, the Brussels Convention of March 1902. In order to destroy the bounty system, which rested wholly on freedom of access to the English market, England had only to follow the example of the United States and impose such countervailing duties as would serve her own purpose in her own judgment. But the Cobdenite sentiment, then pervading both political parties, could not tolerate the idea of a differential duty even for so pious a purpose as the restoration of "natural" prices. The abstract prejudice price against "protection," and the concrete apprehension of "retaliation" being attempted by countries which already were obstructing British imports to the utmost degree allowed by self-interest, combined to overcome not merely national prudence but national self-respect. So the British Government condescended to renounce fiscal independence, and to go cap in hand to the continental Governments, begging them as a favour to stop giving bounties upon the export of sugar. Naturally they were not slow to seize their unexpected opportunity. Being already anxious, in their own interest, to terminate the bounty system, and being alarmed by the talk in England of imperial preference, they now were enabled by the submissiveness of the British Government to kill two birds with one stone. For they succeeded in arranging a Convention whereby they not only extricated their own fiscal systems from the grip of the sugar bounties, but actually became masters of England's fiscal policy as well, acquiring the right of dictating to her what duties she shall or shall not impose upon imported sugar.

Under the Convention England, while not escaping the unpleasant necessity of penalizing such imported sugar as still receives bounties, has transferred her right of determining whether at any time the occasion for such discrimination has arisen to a foreign Commission, of which the British Govern-

ment becomes by contract the servile instrument. At the same time it pledged itself not to give preferential treatment to sugar grown within the Empire, while the Convention lasted.<sup>1</sup>

This surrender of fiscal independence has proved no less disastrous to the domestic interests of Little England than to the potentiality of an imperial fiscal system recognizing the principle of imperial responsibility. When, in 1904, the continental beet crop failed in certain countries signatory to the Convention, and famine prices followed, England found herself unable to mitigate the situation by temporarily cancelling the prohibition of Russian and Argentine sugar, which was alleged to be available, but which the Commission had ordered her to penalize. Thus, apart from the question of imperial preference, the country has paid dearly for the attempt of its Government to run with the Cobdenite hare while hunting with the imperial hounds.

It is a matter of opinion, in which experts differ, whether the extinction of bounties involves a permanent increase in the price of sugar in England.<sup>2</sup> Sometimes it is stated that the continuation of the bounties ultimately would have destroyed the competition of cane sugar, thus making the English market entirely dependent upon continental beet sugar. The danger arising from that situation is indicated sufficiently by the position in England at the end of 1904. Yet, given equality of opportunity, "there seems to be no doubt that sugar can be produced from cane as cheaply as from beet."<sup>3</sup> If so, the encouragement of the cane industry ought to secure not only cheapness but stability, through the support of the market by an independent source of supply. Hence the policy of encouraging competition upon that basis seems to be the interest even of Little England, including the confectionery trade. For if it is true that this trade cannot thrive unless it obtains raw material below cost of production, then it is not worth attempting to preserve in any case.

<sup>1</sup> The term was five years.

<sup>2</sup> "By far the greater portion of the fall in the price of sugar . . . is not due to the existence of bounties, and would not be lost if they were abolished."—Report, p. 8.

<sup>3</sup> *The West Indies and the Empire*, by H. de R. Walker, p. 4.

But if, as seems more reasonable, it is not based upon so precarious a foundation, then its interests will be served by a policy tending to secure stability in the price of raw material, in place of artificial alternations of depression and inflation. Under the circumstances no doubt the Convention, if it really succeeds in extinguishing the bounties, is better than nothing. But the prohibition of imperial preference involves a serious risk, unless the doctrine of imperial responsibility is repudiated altogether. For the market of the United States, which the West Indies secured by special treaty, remains incomparably more valuable to them than the British market, owing to the higher prices resulting from the stringent tariff protection which is maintained in order to foster the beet-sugar industry of the States and the cane industry of the new dependencies. The danger is that, as these sources of supply are developed, the American Government may adopt a monopoly policy in their favour against West Indian sugar,<sup>1</sup> thereby forcing the West Indies to offer a larger price for the American market, which could be done only by discriminating against British manufactures in favour of American. In that contingency an awkward situation would arise, if the Empire was unable to offer an equally good alternative market for West Indian sugar. Accordingly there is a case for the termination of the Convention at the earliest opportunity.

As it is, the Canadian preferential tariff gives West Indian sugar an advantage over foreign sugar in Canada; which, however, is of far less importance than the United States market, and therefore has not been felt to justify reciprocal concession. But on the west coast the Canadian preference has enabled Fiji and other British dependencies to overcome the competition of the Sandwich Islands and other foreign suppliers in meeting the requirements of the Vancouver refineries; and thus has proved a more distinct imperial advantage than the West Indies have found it.

The factor of imperial responsibility differentiates the question of commercial relations between partner-States of the Empire from that of commercial relations between them and the dependencies. Seeing that cane sugar is a staple

<sup>1</sup> Report, p. 9. Walker, *ibid.*, pp. 4-6.

industry of so many and diverse British dependencies, there is a moral obligation upon the partner-States to provide it with a profitable market; or, as an alternative, to allow those dependencies to obtain the same facilities elsewhere, by discriminating against British imports in their own tariffs. Canada and Australia, having domestic sugar industries to protect, already are committed to dear sugar. Accordingly they are in a position to discharge the imperial obligation by means of differential duties without seriously affecting existing domestic interests. Were England to maintain a small duty upon foreign sugar, with free admission of imperial sugar, the latter, probably being as yet too small a portion of the whole to throw the duty on to the foreigner, for a time would have the benefit of an enhanced price. Even so, considering the internal taxation of sugar in European countries, it seems reasonable to expect that the British manufacturer would not be paying more than his competitors for raw material. And the interests of the household consumer could be safeguarded by a readjustment of the existing duties on food. Having thus afforded a market for cane sugar, the partner-States would be justified in arranging preference for their own exports in the tariffs of the dependencies, in accordance with the principle of imperial reciprocity.

It has been urged that the English people have incurred an exceptional imperial responsibility in the West Indies; first having introduced the black population as slaves into the islands, then having emancipated them, thereby increasing the cost of producing sugar, and finally having allowed the bounty system, for the sake of a temporary benefit to England, to deprive them of their chief source of employment.<sup>1</sup> But the special circumstance of the black population serves merely to emphasize an imperial responsibility which arises from principles of wider application.

A worse case of exploitative imperialism, disguised by nothing more substantial than the Cobdenite illusion, is the repeated manipulation of the Indian tariff in the interests of English manufacturers, to the detriment alike of Indian revenue and Indian industry. Up to 1860 nearly all im-

<sup>1</sup> Walker, *ibid.*, pp. vii-viii.

ports into India were made to yield revenue, the duties averaging 10 per cent. *ad valorem*. This rate was reduced to  $7\frac{1}{2}$  per cent. in 1874, and to 5 per cent. in 1875. Further reductions seem to have been carried out against the better judgment of the Indian administrators,<sup>1</sup> and under the pressure in England of certain manufacturers, whose selfish demands happened to coincide with the implicit faith of the English people in the universal validity of the free-trade dogma.

"The application to the Indian Customs tariff of the principles of greater freedom of trade might have been long delayed but for the accident that the interests of a great British industry were affected. Cotton goods were among the articles on which import duties were imposed. The English manufacturers complained loudly that the practical result was to levy a protective duty to their detriment in favour of cotton manufactures rapidly growing up in India. After a long and acrimonious discussion, the question at issue, so far as the principles at stake were concerned, was decided on May 31, 1876, in a despatch to the Government of India from the Marquis of Salisbury, who was then Secretary of State for India. He said that there was no conflict between the interests of India and of England, and

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<sup>1</sup> "Lord Northbrook . . . reduced the tariff to an all-round rate of 5 per cent. on imports, and, like others who succeeded him, considered it necessary in the interests of India to levy the duty on the chief import—cotton. This raised a protest from England, and Lord Salisbury, then Secretary of State, disapproved of Lord Northbrook's policy; and, though the exact details of Lord Northbrook's resignation are not known, it is generally believed that he gave up office because he believed that India's welfare had been sacrificed to England's mandate."—*The Times*, Nov. 16, 1904.

"I was the Press Commissioner of India . . . in the years 1877 and 1878, when we first introduced free imports into India on the 'requirement' (that was our official word) of the House of Commons in defiance of the vehement opposition of the whole native community, and the distrust of the vast majority of the Civil Service. We called it 'free trade,' and declared it was for the benefit of the poor Indian consumer. But even the Press Commissioner was obliged, for conscience' sake, to wink the other eye when this was alleged—for the journals of the House of Commons of July 11, 1877, showed that the resolution which 'required' the Government of India to be so benevolent to its own subjects was carried by the persistence of the Lancashire members."—Sir Roper Lethbridge in *The Times*, Dec. 27, 1904.

that while the abolition of those duties would give legitimate relief to a great British industry, it was a measure still more necessary in the interests of India; that while the duties had the effect of checking the import of British manufactures, they were at the same time exposing to future injury an Indian industry which it was of the first importance should rest upon sound foundations, which there was every reason to believe would rapidly increase, and which ought not to be allowed to grow up under influences which experience had shown must be injurious to its healthy and natural development. 'Whether (he wrote) the question be regarded as it affects the consumer, the producer, or the revenue, I am of opinion that the interests of India imperatively require the timely removal of a tax which is at once wrong in principle, injurious in its practical effect, and self-destructive in its operation.' In the following year (July 11, 1877), a resolution was adopted by the House of Commons, without a division, that 'the duties levied upon cotton manufactures imported into India, being protective in their nature, are contrary to sound commercial policy, and ought to be repealed without delay so soon as the financial condition of India will permit.'—Sir John Strachey, *India*, pp. 174-5.

Accordingly by the year 1882 all import duties, except those balanced by Excise, had disappeared, including those on cotton manufactures which had yielded two-thirds of the revenue. Thus a fiscal system devised for the small island which had become, after a prolonged period of stringent protection, the undisputed workshop of the world,<sup>1</sup> was imposed upon a continent which, with illimitable natural resources and a teeming population, scarcely had reached the beginning of modern industrial development. Substituting America for India, and steel for cotton, Lord Salisbury's concern for the nascent Indian industries recalls the prognostications of the earlier free-traders about the industrial prospects of the United States. To-day, however, it is possible to compare the results, in the nature and degree of industrial development, which have followed thirty years of fiscal heresy in America and of fiscal orthodoxy in India. In the light of

<sup>1</sup> "The steady development and sudden expansion of industrial activity, which rendered England the workshop of the world, occurred under a highly protective system."—Cunningham, *The Free Trade Movement*, p. 31.

that contrast the vaunted "liberty" of our imperial commercial system appears to be a transparent pseudonym for the fiscal strait-waistcoat which has strangled the natural development of our continental dependency.

That "tariff reform" in the direction of free imports was the policy of English politicians, forced upon India in the teeth of the men who had the best opportunities of judging Indian interests, seems to be beyond dispute.

"It is remarkable that when the first step was taken in 1879 of remitting the duties on all grey goods consisting of yarns finer than 30s, it was adopted by Lord Lytton in opposition to the majority of his council. One of the dissentient members stated that there were not a dozen officials in India who did not regard the policy as having been taken in the supposed interests of a political party in England, the leaders of which deemed it necessary at any cost to retain the political support of the cotton manufacturers in Lancashire. The Stracheys admit that, making allowance for some exaggeration of expression, this statement doubtless contained a good deal of truth as to the state of public opinion (*Finances and Public Works of India*, p. 287). A striking illustration is to be found in pages where we should have scarcely looked for it. In the latest edition of his *Indian Polity* (1894), we find an Indian official of distinction, the late Gen. Sir George Chesney, committing himself to the following expression of views, which, in substance and in warmth of expression, recall twelve years later the angry controversy of the year preceding 1882: 'One source of revenue, free from the objections apparent to every other form of import, is to be found in the restoration of the cotton duties. The history of this case is still so fresh in recollection that it is not necessary to recapitulate it. That the tax has not yet been reimposed is due, not to any consideration for the people of India, but simply to the supposed exigencies of party government at home. The principle involved, however, goes far beyond one of pure finance. It opens up the larger question whether the Government of India is to be conducted in sympathy with the interests and feelings of the people of the country, or in accordance with the small and shifting policy of party needs; as to which it may be said that, unless the steps lately taken are retraced, an injury will be done to the good faith and character of the British Government of India, which may and probably will lead to far-reaching consequences.'—*Encyclopædia Britannica*, vol. xxix. p. 434.



The year 1894 was not one in which the Indian official was likely to reverse his earlier judgment. For in March of that year the necessities of the Indian revenue forced the Government to restore the 5 per cent. tariff on imports. But the same external influences which had imposed the system of free imports now insisted upon the total exemption of cotton manufactures from the new tariff, thereby seriously impairing its productivity. Once more with a Liberal Government in office, the cant of Cobdenism was revived in order to reconcile the conscience of the British nation to a pure measure of exploitative imperialism. It was urged, as usual, that the interests of the Indian "consumer" were at stake; that, despite the increasing competition of the Indian mills, the duty on imported cottons would be paid, not by the Lancashire manufacturer but by his Indian customer. But already the fetish was being challenged, and the charm which had worked effectively in the seventies now failed to soothe the uneasy feeling aroused by the obvious subordination of India to Lancashire. Before the year was out a compromise had been effected. Imported cotton manufactures were subjected to the tariff, but an equal Excise duty was imposed upon the products of the Indian mills, in order that the employment provided by the Indian market might not be diverted from Lancashire to India. Shortly afterwards the import and Excise duties on manufactured cottons were reduced to  $3\frac{1}{2}$  per cent.

The argument that revenue Customs duties, if they have happened to restrict imports by encouraging home manufactures, are "self-destructive in their operation," is a theoretical objection which does not deter (*e.g.*) the Canadian Government from working the system of revenue-tariffism with conspicuous success. The system avoids the occasional hardships of stringent protection. If the yield of the duties falls off, owing to the competition of the industries "incidentally" protected, then those industries are developing a taxable capacity more than sufficient to make up the deficiency. Further, the progress of those industries itself tends to increase the yield of revenue from other dutiable imports not yet subject to effective domestic competition. It is held

by the Liberals of the present Canadian Government that the Canadian tariff is not protective in the stringent sense, but affords sufficient "incidental" protection to Canadian industries, while raising necessary revenue in a manner least burdensome to the taxpayer.<sup>1</sup>

The writer of the Indian articles in *The Times* points out how much more suitable to India the system of indirect taxation is than that of direct taxation, which has been largely substituted under English rule. "With its enormous coast-line India is singularly deficient in ports." There being only seven Indian ports of any consequence, commerce is so concentrated that the cost of collecting import duties is minimized.

"The land revenue of India, according to the accounts of 1902-3, was about 18½ millions sterling. It cost very nearly four millions sterling to collect. The Customs revenue was nearly four millions sterling. The collection charges were only £161,190. But apart from the ease and economy of the administration of the maritime Customs in India there is this great advantage in indirect taxation—that supervision is possible, and that the people cannot be harried and robbed by their official brethren. . . . It is impossible when dealing with millions of direct taxpayers to prevent the underlings from taking a little more than the tax. It is impossible to restrain the holders of brief authority, or to curb their insolent rapacity, and when, as in the case of the income-tax, the element of inquisition and espionage is present, the rein is given to the worst qualities of the Indian nature. Viewed from the ordinary tests of taxation, India would appear to be essentially a continent in which indirect methods should be encouraged. It is not of course suggested that any tax can be substituted for the land tax, but it is suggested that it would be unwise to look to the land for the increase in revenue which will be necessitated by India's growing requirements, and that it would be well to pay greater attention to the possibilities of the Customs. . . . The Indian's ideal is some system of indirect taxation, where the collection is as far as possible from himself and his home—out of sight and out of mind. To the Englishman, who sees something sacred and bracing in the methods of direct taxation, this attitude may appear foolish, indeed may seem to savour of the

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<sup>1</sup> Cf. *supra*, p. 257.

ostrich ; but there is sentiment even in taxes, and it is wise in India to defer to the sentiment of the people."—*The Times*, Dec. 12, 1904.

The feature of "incidental protection" hardly seems to be a serious drawback to the principle of revenue-tariffism as applicable to India. Indeed it would be difficult to name another country exhibiting a more striking aggregation of the special conditions which emphasize the need of protection and ensure its success. What other country presents so urgent a case for the diversification of industrial pursuits as the continent which is threatened with famine upon the slightest failure of the crops ? If it can be argued that protection has achieved its purpose, despite Cobdenite dogma, in the United States, only because that vast area constitutes "a free-trade world in itself," how much more forcibly might the same argument apply to the continent which, with resources hardly inferior to those of America, contains one-sixth of the world's population, including an unequalled supply of the cheapest and most tractable labour ?

If it be objected that the industrial progress of America, by reason of racial, physical, and climatic divergencies, has no lesson for India, then an equally striking contrast may be drawn from Japan. It cannot be argued that thirty years ago the natural potentiality of industrial development seemed greater in Japan than in India. To-day, however, under the direction of a modern and scientific administration, not only are all staple requirements manufactured in Japan by modern processes ; but even the old-fashioned local handicrafts and indigenous arts have been maintained at the highest pitch of excellence, commanding the liberal patronage of native patriots and foreign connoisseurs ; both substantially augmenting the earnings of the people, and elevating their standard of civilization. In India, on the other hand, Government can show no results comparable with those which have been attained by the Japanese statesmen. Its criterion of progress has been the volume of imports and exports, which may continue to grow in an undeveloped country while domestic industry is being confined by free trade to primitive production. In the light of experience, including that of England herself, foreign

commerce appears naturally as the sequel and not the preliminary to the development of that home trade which is the most profitable of all exchanges. But in India capitalist pioneers never have received from a paternal Government the encouragement which is freely accorded wherever the development of home industries has been the paramount object. The Indian market for manufactures has been made the preserve not of Indian but of English labour, which has enjoyed an advantage over European competitors, despite free imports, owing to the financial indebtedness of India to England. Under this régime it is only within recent years that the Indian Government, acting under pressure from its military advisers, has used its opportunity as the largest buyer to establish such industries as the manufacture of saddlery, arms, and ammunition. Meanwhile the vast requirements in equipment of the Indian railways continue to promote foreign trade, providing little of the employment which, under a different régime, would take a percentage of labourers off famine relief works. Likewise all the thousand articles of domestic use, alike in the rajah's palace and in the village bazaar, are being supplied in an ever-increasing proportion from the factories of the foreigner who, having probed the weakness of Eastern human nature under Western rule, has learnt how superficial glitter may compete successfully with the intrinsic value of inherited manual skill. Finally contact with the West, instead of heralding the zenith of native art as in Japan, is acknowledged in India to have worked its destruction.

Although imperial responsibility is a principle which demands, at any cost, the cessation of the exploitative system, yet it may be questioned whether the loosening of the Cobdenite strait-waistcoat, and the fostering of Indian industries by the natural nutriment of State aid, including fiscal protection, would be uniformly unfavourable to English trade with India. In the first place, the necessity of raising revenue would make it imperative that the duties should continue to be light, not suddenly restrictive of imports, and should be raised only gradually, as the growth of native industry increased the internal taxable capacity of the country.

Secondly, the development of Indian manufactures itself would create a new demand for machinery and equipment, which would continue for many years and never cease entirely. In addition the greater dispersion of wealth and luxury, implied by the growth and diversification of home industries, would create a market for much that India could not supply from within. That class of demand—the demand for equipment and for luxuries—together with that of surplus requirements, has served hitherto to maintain, or even to increase, the volume of English exports to various countries which have been following a protective policy; and has enabled free-traders to claim that foreign tariffs have been no lasting detriment to English trade. Logically, therefore, our free-traders would not anticipate a serious or permanent injury to English trade as the consequence of the suggested Indian protection, against which they are in the habit of raising altruistic protests. To adopt their familiar line of argument, cotton might go, but what of that? Capital and labour are mobile, and would divert themselves into other channels. The export of machinery would compensate the falling off in cotton manufactures.

A protectionist cannot contemplate the contraction of an established English industry with the apparent equanimity of the modernized Cobdenite. Yet, since the Lancashire cotton industry has attained its present inflated proportions only by the forcible restriction of Indian competition in the Indian market, it is impossible to contemplate justice to India, the first instalment of which would be the repeal of the Excise duty,<sup>1</sup> without contemplating distress in Lancashire. For although the actual rate of the Customs duty is low, yet it is sufficient to be protective in its operation, according to its Lancashire critics, owing to the increasingly keen competition of the Indian mills. The fact that the latter have succeeded in attaining so strong a position, despite the artificial disability imposed upon them by the denial of protection against their old-established English competitors, indicates that the manufacture of cotton is an industry which is eminently suit-

<sup>1</sup> A resolution requesting the abolition of this duty was passed by the recent Indian National Congress.—*The Times*, Dec. 29, 1904.

able for India, and would have attained far larger proportions by this time if the home market had been secured to it by means of the recognized fiscal system of the modern world. Accordingly it seems probable enough that, were the Excise duty repealed, the Indian manufacturers would not restrict sales by raising prices, but would take advantage of the new position to extend their production by maintaining the old prices, which their English competitors could not meet without themselves paying the Customs duty. If the ultimate effect would be a serious falling off in English exports of cotton manufactures, that is the price which the nation would pay for having allowed a fallacious economic ideal to shelter the growth of an exploitative system—the absolute negation of those disinterested imperial principles which Englishmen habitually profess. Nevertheless, there is consolation in the reflection that England has experienced worse shocks than the reduction of the cotton industry to legitimate proportions, without overwhelming disaster. After all, the suggested sacrifice is nothing compared with the accomplished sacrifice of agriculture, which has been regarded in Lancashire itself as a matter of secondary importance. At worst, the diminution of cotton manufactures would be a sacrifice of wealth only; whereas the sacrifice of agriculture involved the loss not only of wealth but of national welfare, such as can be contributed by no other industry. Further, the cotton industry seems to be one which, by reason of its dependence upon a single and foreign source of supply, cannot continue to play so large a part in the industrial life of England without aggravating the domestic risks incidental to possible war.

The Indian Government has not pronounced upon the subject of tariff reform for India. Its opinion as to preferential trade was invited officially by telegram, in connection with the English fiscal question. In its official reply it pointed out that the proposal submitted to it was "of an extremely indefinite and general character, . . . hedged round with qualifications and provisions calculated to admit of almost any limitations." There is nothing surprising in the conclusion that "we should not be justified in embarking on

any new policy of the kind unless assured of benefits greater and more certain than any which have, so far, presented themselves to our mind." It hardly need be said that the proposals thus criticized were based upon the existing Indian tariff, and the policy which that tariff represents. Whether reciprocal preference could be arranged with mutual advantage upon the basis of an Indian tariff for India, and an English tariff for England, is an entirely different and more hopeful question. By a preferential system of that kind, England, and the partner-States, might expect to secure the lion's share of the new Indian trade which would result from the expansion of Indian manufactures, and thereby ultimately to obtain ample compensation for the dislocation of existing commercial connections.

That preference upon such a basis would be popular in India seems to follow from the opinions of those who are most competent to judge the direction of Indian sentiment. For example, the writer of the *Times* articles says:—

"If they (the Indian people) had their way, there would be no exports and no imports. . . . But if it must be, they would prefer that their external trade should be entirely with the United Kingdom, and, little as they like British exploitation, they regard exploitation by other foreigners as unnatural and wasteful. If they could give an articulate opinion, it would be in favour of the strictest preference for Great Britain, and the most jealous exclusion of foreign nations. They would be proud to feel that they were real and useful partners in the British Empire. It would appeal to their imaginations—that mighty political lever in the East. The trade channel West flows naturally to England, and the Indians would gladly see the channel restored to the old river bed, and the artificial cuts to other countries closed or contracted."—*The Times*, Dec. 12, 1904.

Thus there does not seem to be any prospect of opposition in India to fiscal reform upon the lines indicated. At present the obvious fact of exploitation enables native agitators to attack that reputation for straightforward dealing which is one corner-stone of British dominion in India. If it be objected that orderly government is sufficient compensation to India for commercial exploitation, the ready reply is forth-

coming that the administration is paid for separately in hard Indian cash; and, so far from being a philanthropic service, provides congenial and remunerative employment for a large number of Englishmen who could not have found the same opportunity elsewhere.

Meanwhile the appearance of exploitation in the British system helps to fortify the traditional prejudice of modern democracy against Roman imperialism. In the case of the United States there was room for the inexperienced self-confidence of an enterprising and ambitious nation which, being accustomed to succeed, was attracted by the opportunity of giving the world an object lesson in disinterested imperialism. It is asserted sometimes that now the Americans are disappointed with their undertaking; being compelled to realize that, if imperial subjection is tolerated as being the preliminary to self-government, the result is not to be achieved speedily; and that, meanwhile, it is difficult to prevent the all-powerful commercial interests from turning beneficent imperialism into callous exploitation. In short it is affirmed, despite the re-election of President Roosevelt, that the American democracy would not have embarked upon its imperial career had these things been foreseen. However that may be, it seems unlikely enough that the younger democracies of the British Empire will give their deliberate sanction, by national participation in responsibility, to an imperial dominion which already exists before their eyes, so long as it is disfigured by an exploitative commercial policy. For how can those democracies, having themselves renounced the Cobdenite theory, be persuaded that the system of free trade is adapted to the economic needs of the undeveloped Indian continent? Further, if it is contended that the ultimate object of British rule in India is to substitute the unifying sentiment of a national consciousness for the immemorial discord of race and creed, how shall Canada and Australia, which know something of nation-making, be persuaded that an Indian tariff would not tend to foster the sense of Indian solidarity?

Accordingly the programme of collective imperialism must include a radical reform of English commercial policy



as affecting the dependencies. Against that reform are arrayed all those commercial and industrial interests which have become identified with the exploitative system, and now are seeking security in the open arms of the Liberal party leaders. At the present time those leaders may be heard protesting against the charge of indifference to the Empire, and in the same breath denouncing the policy which effected the abolition of the sugar bounties. They seem to imagine that a capitalist coterie forms the entire population of the West Indian islands, for they ignore the question of negro employment. To them the reputation of English sweetmeats in the continental restaurants is of greater moment than that of English imperialism in the opinion of the world.<sup>1</sup> At most, they are not ashamed to suggest that the situation in the West Indies might have been met, if at all, by an annual dole of outdoor relief. Yet even that ignoble proposition comes with a savour of insincerity from politicians who declare that their primary business will be ruthless retrenchment.

Likewise in Lancashire the Liberals are hastening to commit themselves to the maintenance of the exploitative system. They who challenged the principle of colonial autonomy, by raising the cry of "No slavery" against indentured labour in South Africa, simultaneously are proclaiming themselves the champions of a more oppressive infringement of human liberty in a country of which England is the acknowledged and perpetual trustee. The Lancashire system, although its operation requires neither chains nor parchment, none the less effectively deprives the Indian of

<sup>1</sup> "It was not those who were for ever mouthing the word Empire, claiming a special devotion to the Empire . . . it was not they who were the best friends of the Empire, . . . They came down to the House of Commons and closed through a Convention to prevent the importation of artificially cheapened sugar. But the introduction of cheap sugar was denounced by Mr. Chamberlain as the missionary of the Empire, and the spokesman in particular of the West Indian planter, who was being injured in his market here. . . . Why did he not tell them all about it? Because he would have had to tell how the confectionery trade and other trades were being hit at home and abroad. . . ."—Sir H. Campbell-Bannerman at Limehouse, Dec. 21, 1904.

his natural right to fulfil and ameliorate the harsh conditions of his own existence by himself exploiting to the utmost selfish advantage the market which his existence alone creates. The modern masters, like the old, plead that their system benefits its victims; but with less justification. For whereas the old slavery at any rate afforded a guarantee against starvation, the new slavery, by restricting industrial development, tends to aggravate the appalling distress which is the periodical fate of agricultural India. For the time being the Liberals exult triumphantly in the support accorded to them by a phalanx of free-trade interests threatening to place imperial policy under a commercial control no less sordid than that which sometimes is the despair of American patriots.<sup>1</sup> Yet between them and a revolt of the national conscience, like that which compelled the emancipation of the negroes, there stands to-day no stronger barrier than the thin shadow of an economic superstition.

To summarize the foregoing, it appears that tariff reform is indeed necessary, for the sake not only of Little England but of the British Empire. It is necessary to the Empire (1) in order that the completion of colonial autonomy may be accompanied by a consolidation of material interests to counteract the centrifugal tendency of nationalist sentiment; (2) in order that the ultimate possibility of effecting a working partnership of independent nations may not be destroyed by the absolute divergence of commercial interests;

<sup>1</sup> "To men of a certain kind, trade and property are far more sacred than life or honour, of far more consequence than the great thoughts and lofty emotions which alone make a nation mighty. They believe, with a faith almost touching in its utter feebleness, that 'the Angel of Peace, draped in a garment of untaxed calico,' has given her final message to men when she has implored them to devote all their energies to producing oleomargarine at a quarter of a cent. less a firkin, or to importing woollens for a fraction less than they can be made at home. These solemn prattlers strive after an ideal in which they shall happily unite the imagination of a greengrocer with the heart of a Bengalee baboo. They are utterly incapable of feeling one thrill of generous emotion, or the slightest throb of that pulse which gives to the world statesmen, patriots, warriors, and poets, and which makes a nation other than a cumberer of the world's surface."—Theodore Roosevelt, *American Ideals*, pp. 11, 12.

(3) in order that the British Empire, as the greatest civilizing agency known to history, may be perpetuated by the conscientious support not only of the English democracy, but of those new nations, infant now, but "giant-limbed," whose instincts do not promise an easier reconciliation with the exploitative imperialism of Cobdenite England.

## CHAPTER XIV

### THE SOUL OF THE EMPIRE

IN every man there is something which matters more than the rest of him to the world. With that part of you, Rudyard Kipling, I have been intimate ever since first you made it manifest. You were the seer through whom the soul of the Empire found utterance. You were the prophet of imperial truth, the singer who "knew and touched it in the ends of all the earth." In the ends of the earth I too knew that truth and touched it, and then I knew you for a true prophet. Therefore in dull, ephemeral prose I repeat the message, as I heard it, of your immortal song.

Further, I proclaim you the rightful doyen of imperial bards; not, perhaps, by seniority, but because you alone were comprehensive. For the soul of the Empire is not one, but two; and you alone were the interpreter of both. The one is the yearning of "the Four New Nations," their awakening patriotism, which you expressed for them in "The Native-born," before it had found a voice of its own. When you spoke, they knew that you had touched the truth, and took you to their hearts thenceforth. The other soul is our nation's faith in its special life-task, which you revealed, primarily for the Americans, in "The White Man's Burden." The unbeliever laughs. He remembers only a parody in *Truth* or the *Bulletin*. Any fool can parody a simple gospel, and make another fool laugh.

I have listened, beyond the seas, to the bards of the Native-born. Some of them were singing of "The Brave Days to be";<sup>1</sup> when the Old Country shall have gone to the

<sup>1</sup> *Maoriland and other Verses*. A. H. Adams.

dogs, while the young ones rejoice as giants to run their course :

. . . . "And while my lusty land  
Felt in her veins the triumphant sap, and heard  
The wonder of the Spring shout in her heart,  
Across the waters peering, chin in hand,  
A grey old crone mumbled the name that once  
Was Britain ! Spent with mighty pasts her soil,  
And sodden with a hundred histories :  
Her old frame enervated with the pangs  
Of bearing progenies of giant men,  
Who shackled the careering centuries  
To one small island's name ! The end had come.  
Upon her fallow fields luddled her brood  
Of teeming pigmies, craven beneath their pride ;  
Too weak to wield the sword their fathers forged,  
Too rich to risk the shock of war. Like leaves  
In autumn winds, about their uncertain feet  
Their shrivelled greatness swept."

That was the fate, descried from beyond the seas, which seemed to await the England of unchallenged Cobdenism. There was nothing for it but eventual separation. Our conventional imperialists are horrified at such "disloyalty." But you, and all who have touched the truth, sympathize with those nationalists beyond the seas when they give the toast of the Native-born :

"We've drunk to the Queen—God bless her !—  
We've drunk to our mothers' land ;  
We've drunk to our English brother,  
(But he does not understand) ;  
We've drunk to the wide creation,  
And the Cross swings low for the morn,  
Last toast, and of obligation,  
A health to the Native-born !"

We understand. We have heard the message in the tumult of their cities, and in the silence of their plains and forests ; both where men are, and where men are not but shall be. We respect the patriotism of the younger nations, and fain would borrow of its kindling fire to revive the smothered instinct of our own people.

I recollect your letter about "loyalty," sent in reply to some querulous Newfoundlander. My impression is that you hate the word, and would like to banish it from our imperial vocabulary. If so, I am with you. A sound country has no use for the men whose first affections lie beyond its shores; which is the conventional English idea of "colonial loyalty." The future of the new countries lies with the native-born, whose first love, like that of their forefathers, is for the land of their own birth. What if they "learned from their wistful mothers to call old England Home"? What if they are prone to protest their "loyalty" after the manner of their fathers? Their language is traditional as yet, and patriotism begins to guide their action. True, some there are who repudiate their own country for the sake of lip-loyalty to England; and for them the patriots have no use. Such loyalty has no self-respect. It looks on applauding, while the Old Country does all the chores, and pays all the bills. It sent no contingents to South Africa, because it hates taking any knocks itself. No, I cannot enthuse over the abject loyalty of the colonialist, always running down his own country (which generally is a good one), and insulting mine by claiming it instead. Give me rather the plain parochialist, who says from his heart, "Of no mean city am I,"—be it Winnipeg or Walgett, provided he is genuine enough to defend with his own life, if need be, the country he condescends to live in.

Of course in the early days the patriotism of the pioneer generations was loyalty to the Old Country, being their native land:

"Listen to me, as when ye heard our father"  
 Sing long ago the song of other shores,—  
 Listen to me, and then in chorus gather  
 All your deep voices as ye pull your oars:  
 Fair these broad meads,—these hoary woods are grand;  
 But we are exiles from our fathers' land.

From the lone shieling of the misty island  
 Mountains divide us, and the waste of seas—  
 Yet still the blood is strong, the heart is Highland,  
 And we in dreams behold the Hebrides.

We ne'er shall tread the fancy-haunted valley,  
 Where t'ween the hills creeps the small, clear stream—  
 In arms around the patriarch banner rally,  
 Nor see the moon on royal tombstones gleam.

When the bold kindred, in the time long-vanish'd,  
 Conquer'd the soil and fortified the keep,—  
 No seer foretold the children would be banish'd,  
 That a degenerate Lord might boast his sheep.

Come foreign rage—let Discord burst in slaughter!  
 O then for clansmen true, and stern claymore—  
 The hearts that would have given their blood like water  
 Beat heavily beyond the Atlantic roar.”<sup>1</sup>

Such was the song which the sons learnt from their exiled fathers. But now, in Canada, the sons' sons have passed away, and to the native-born of the third and fourth generation the sadness of their forefathers is but a reminiscence:

“They passed with their old-world legends—  
 Their tales of wrong and dearth—  
 Our fathers held by purchase,  
 But we by right of birth;  
 Our hearts where they rocked our cradle,  
 Our love where we spent our toil,  
 And our faith and our hope and our honour  
 We pledge to our native soil!”

By catching that native sentiment, which divides the future from the past, you have made your name a household word in the Canada of to-day. The “Canadian Boat Song” is the exquisite lament of a bygone age, its author forgotten, its spirit obsolete. The colony of the exiles has become the nation of their descendants, and very different is the note struck by the living prophets of the Native-born:

“Awake, my country, the hour is great with change!  
 Under this gloom which yet obscures the land,  
 From ice-blue strait and stern Laurentian range  
 To where giant peaks our western bounds command,

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<sup>1</sup> Authorship uncertain. Date not later than 1829. See *The Times*, Literary Supplement, Dec. 23, 1904.

A deep voice stirs, vibrating in men's ears,  
 As if their own hearts throbbed that thunder forth,  
 A voice wherein who hearkens wisely hears  
 The voice of the desire of this strong North,—  
 This North whose heart of fire  
 Yet knows not its desire  
 Clearly, but dreams, and murmurs in the dream,  
 The hour of dreams is done. Lo, on the hills the gleam!

Awake, my country, the hour of dreams is done!  
 Doubt not, nor dread the greatness of thy fate.  
 Tho' faint souls fear the keen confronting sun,  
 And fain would bid the morn of splendour wait;  
 Tho' dreamers, rapt in starry visions, cry,  
 'Lo, yon thy future, yon thy faith, thy fame!'  
 And stretch vain hands to stars, thy fame is nigh,  
 Here, in Canadian hearth, and home, and name—  
 This name which yet shall grow  
 Till all the nations know  
 Us for a patriot people, heart and hand,  
 Loyal to our native earth, our own Canadian land!"<sup>1</sup>

And again:

"O Child of nations, giant-limbed  
 Who stand'st among the nations now  
 Unheeded, unadorned, unhymned,  
 With unanointed brow,—

How long the ignoble sloth, how long  
 The trust in greatness not thine own?  
 Surely the lion's brood is strong  
 To face the world alone!"<sup>2</sup>

Again our conventional imperialists shudder at the disruptive exhortation. Let them read the same writer's *History of Canada*, and they will find that this strenuous Canadian nationalist also is a strenuous advocate of imperial union; only, his imperial ideal conflicts with theirs.

They say Australia has no nationalist poetry. I am not so sure. Homely "Banjo" strikes the note, with gentler touch, in "Kiley's Run."<sup>3</sup> Not deliberately anti-British, not "dis-

<sup>1</sup> "An Ode for the Canadian Confederacy"; in *Poems* by Charles G. D. Roberts.

<sup>2</sup> "Canada." *Ibid.*

<sup>3</sup> *The Man From Snowy River, and Other Verses.* A. B. Paterson.



loyal" enough to gratify the *Bulletin*, and therefore the more emphatically Australian and non-colonialist :

"But droughts and losses came apace  
     To Kiley's Run,  
 Till ruin stared him in the face ;  
 He toiled and toiled while lived the light,  
 He dreamed of overdrafts at night :  
 At length, because he could not pay,  
 His bankers took the stock away  
     From Kiley's Run.

The owner lives in England now  
     Of Kiley's Run.  
 He knows a race-horse from a cow ;  
 But that is all he knows of stock :  
 His chiefest care is how to dock  
 Expenses, and he sends from town  
 To cut the shearers' wages down  
     On Kiley's Run.

There are no neighbours anywhere  
     Near Kiley's Run.  
 The hospitable homes are bare,  
 The gardens gone ; for no pretence  
 Must hinder cutting down expense :  
 The homestead that we held so dear  
 Contains a half-paid overseer  
     On Kiley's Run.

The name itself is changed of late  
     Of Kiley's Run.  
 They call it 'Chandos Park Estate.'  
 The lonely swagman through the dark  
 Must hump his swag past Chandos Park.  
 The name is English, don't you see,—  
 The old name sweeter sounds to me  
     Of Kiley's Run.

I cannot guess what fate will bring  
     To Kiley's Run—  
 For chances come and changes ring—  
 I scarcely think 'twill always be  
 Locked up to suit an absentee ;  
 And if he lets it out in farms,  
 His tenants soon will carry arms  
     On Kiley's Run."

The *Bulletin*, of course, detests you, the doyen of imperial prophets. Yet it is from you, and none other, that the whole mob of *Bulletin* rhymsters try to crib the secrets of their elusive craft. The other day the *Bulletin* discovered a new jest. "£2, 2s. was offered for the poem which Kipling might, could, and should have written about the war, or an episode of the war" (Russo-Jap war). Apparently the entries were crowded, but most of the competitors were ruled out because "clearly, parodies in the sense of caricatures were excluded." Finally, the lucre was awarded to a bloodthirsty nonsense-jingle, of which the author wrote, "I don't understand it myself, but then I don't understand K. either!"<sup>1</sup>

The incident illustrates how the rhymsters who serve "The Australian National Newspaper" are your constant readers. Protest as they may, they do understand the part of you which matters. Australians after all, they could not caricature "The Native-born." Again, on the sealing of the Commonwealth Act, when you made the Old Queen say to the Young Queen—

"Shall I give thee my sleepless wisdom, or the gift all wisdom above?

Ay, we be women together—I give thee thy people's love:"

then they knew that you had struck native gold, where they had scooped the anti-British dirt in vain. Slaves of a task-master, they vilify the Empire. Yet, see the truants, in moments of reckless liberty, buzzing like moths round the flame of "East and West"! In short, they find you irresistible. Some of them even might become genuine national bards, voicing the soul of the Empire as they know it; if only their soured patron, who is no Australian, had not tabooed honest nationalism.

But the native-born poets, at best, know only the one soul. Before you came there was none to tell the younger nations about the other soul, which England knows. It is you who have lifted the veil for them. One evening I saw it testified in a Canadian club-room. A gruff lumber king, wise within timber-limits, came in after dinner. We sat

<sup>1</sup> The *Bulletin*, Aug. 25, 1904.

astonished while he, standing up, thundered the story of Kamal's encounter with the colonel's son. How he wished it had been his own son—wished it better than a million dollars! He felt it and meant it, every word. All of us could "hear a breech-bolt snick" when his right hand dropped for the under-lever of his Winchester. Some day, thanks to you partly, the Border-thief may have to reckon with a Canadian. In that day the soul of the Empire shall be one. Not that East shall be West, nor *vice versa*; for, despite Japan, "never the twain shall meet." But I mean that the Native-born shall have recognized the life-work, the common duty of "The Five Nations." They will pledge it, as we do, whenever

"Our faith and our hope and our honour  
We pledge to our native soil."

I do not try to argue about the duty, because it is absurd to argue when there is no way out of it. "*Hac tibi erunt artes*,"—do it and don't ask questions. If *Truth* and the *Bulletin* are right, then all our history is an accident and a fraud. To me that is unthinkable.

My pages are concerned with the other soul—the embryo consciousness of the younger nations, which the English brother "does not understand." His notion of imperial union has been based upon that helpless "loyalty." He has acquired the habit of supercilious condescension, as though he owned the whole Empire—New Nations and all. His instinct has been that the mere colonial ought to pay his share, and be thankful; whilst the superior Englishman runs the Empire on his own lines. The soul of the Empire is a perplexing mystery to him; partly because it is only now that even the elder of the New Nations are bursting the colonial chrysalis; partly because, in the Old Country, the simple sense of patriotism has been suppressed beneath delusive cosmopolitanism. Yet he might understand if he tried to change places. Supposing Uncle Sam, in an absent-minded moment, made him a generous offer; namely, to take over the British navy, and run it for a nominal cash consideration. Would the over-taxed English brother jump at it? No, his dormant national pride rises in revolt. Then how can he expect the

New Nations to pay hire for his navy? He complains that they do not take their share of the chores. It is his own fault, because he will not have them do it in a self-respecting manner. For example he trampled energetically upon the suggestion of national naval squadrons. He looks askance if they propose to do things in the British fashion. He thinks of it as "disloyalty!" No wonder they are discouraged. The English brother talks pleasantly of alliance, but tries to enforce his own supremacy. So they are constrained to imagine that national independence means cutting the painter. Ungrateful and disloyal colonials, to think that you should assert the temper which made England herself!

Yes, surely the Native-born, because they "come of the blood," will cut the painter some day, if they cannot otherwise acquit themselves as nations. Let the English brother admit that he has been on the wrong tack. Let him realize that the future is with "the Five Free Nations, who are peers among their peers," and act accordingly. Else the union, his fondest dream, is an empty vision.

Some saw the ways parting, and asked, "Is there a man?" You, the seer, who touched the truth before, you affirmed the query (who runs may read), "Once—in our time—is there a man."<sup>1</sup> Then be it so! Does not this man belong to your world of "things as they are"? He did not always understand. He offered the Zollverein; he called for naval tribute. Nevertheless, he is not as those others who belittle him. They

"hold the written clue  
To all save all unwritten things,  
And, half a league behind, pursue  
The accomplished Fact with flouts and flings."

So now they array themselves in the museum of the colonial nursery; while he, "a man in a world of men," lives and learns how nations come. In the stillness of the veldt did he too know the soul of the Empire? He has put away the Zollverein toy, and opens the door to the imperial partnership of national manhood. Therefore he shall ask no more for naval tribute, but bid the New Nations feed the

<sup>1</sup> "Things and the Man," by Rudyard Kipling. Aug. 1904.

sea as England fed her. For they shall be neither hewers of wood nor drawers of water. Under alien skies their men, with ours, shall "drive the road and bridge the ford." "In the day of Armageddon" their ships shall range with ours.

In fulness of time the children shall surpass their grey mother, in all save honour. The imperial city shall lose her pride of place. In another seagirt isle, by the margin of the Pacific, where snow-crested mountains sentinel the straits, sleeps a fair city which the soothsayers named after, yet before, the Empress-Queen. "From East to West the circling word has passed." Another Channel frets beneath an Empire's commerce. From the landlocked harbour swift ships emerge. They are the war fleet of the Maple Leaf, heading to the Southern Cross. For the manœuvres are at hand, and this year the Commonwealth directs. Meanwhile Councillors are gathering by "the Hall of our Thousand Years"—reared but yesterday on the southward brow above the blue. They have come from Ottawa and Dalgety, from Wellington and Bloemfontein. There they are assembling, still in the shadow of the strong North. Their business is "the Peace among our Peoples"; and the common matters of the Five Nations, which order the peace. Awhile they wait, for not yet is their tale complete; then stand aside, yielding precedence to the "Wards of the Outer March,"—to the undaunted sons of

"giant men  
Who shackled the careering centuries  
To one small island's name."

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